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98TH CONGRESS, 2d Session } SENATE { REPORT 98-566

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION BILL, 1985

JULY 26 (legislative day, JULY 23), 1984.—Ordered to be printed

Mr. COCHRAN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 5743]

The Committee on Appropriations, to which was referred the bill (H.R. 5743) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1985, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

AMOUNT IN NEW BUDGET (OBLIGATIONAL) AUTHORITY, FISCAL YEAR 1985

Amount of bill as passed by the House	$31,860,125,550
Amount of change by Senate Committee	1,554,776,160
Amount of bill as reported to Senate	33,414,901,710
Amount of 1984 Appropriations Acts to date	32,679,618,000
Amount of estimates, 1985	32,219,884,000
The bill as reported to the Senate:	
Over the appropriations provided in 1984	735,283,710
Over the estimates for 1985	1,195,017,710
Over the House bill	1,554,776,160

S183-10

BREAKDOWN BY TITLE

The amounts of obligational authority for each of the five titles contained in the House bill for fiscal year 1985, compared with the Committee recommendations, are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

	1984 enacted	1985 House bill	1985 Committee recommendation
Title I: Agricultural programs	$12,037,205,000	$10,787,473,620	$11,156,108,710
Title II: Rural development and assistance programs	4,227,741,000	4,842,275,130	4,842,834,000
Title III: Domestic food programs	14,710,090,000	14,527,724,310	15,545,208,000
Title IV: International programs	1,290,733,000	1,279,936,350	1,443,865,000
Title V: Related agencies	413,849,000	422,716,140	426,886,000
Total, new budget (obligational) authority	32,679,618,000	31,860,125,550	33,414,901,710
Transfers from section 32	2,313,135,000	2,312,455,860	2,335,814,000
Total obligational authority	34,992,753,000	34,172,581,410	35,750,715,710

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93–344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the First Concurrent Resolution. The following table provides these data:

BUDGETARY IMPACT OF THE BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1985. Subcommittee on Agriculture, Rural Development and Related Agencies	NA	[1] 36,234	NA	[2] 23,429
Projections of outlays associated with budget authority recommended in the bill:				
1985				[3] 21,494
1986				2,015
1987				310
1988				179
1989 and future year				194
Financial assistance to State and local governments for 1985 in the bill		8,177		6,874

[1] Including permanent appropriation.
[2] Includes outlays from prior-year budget authority.
[3] Excludes outlays from prior-year budget authority.
NA: Not applicable.

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OVERVIEW AND SUMMARY OF THE BILL

The Agriculture, Rural Development, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the Department of Agriculture. These programs include agricultural research and extension activities, a variety of conservation programs, farm income and commodity price support programs, a number of marketing and inspection activities, several domestic food programs, and the various export and international activities of USDA. The rural development title of the bill includes funding levels for Farmers Home Administration and Rural Electrification Administration programs. The bill also provides funding for the Food and Drug Administration and the Commodity Futures Trading Commission, and establishes a limitation on the administrative expenses of the Farm Credit Administration.

Agriculture has played an invaluable role in the history of our country. It has influenced our way of life both through the abundance of food and fiber and through its monumental impact on our economy. Since the first settlers arrived in what is now the United States, American agriculture has provided food, clothing, shelter, and jobs—all of these, basic to meeting our physical needs.

Agriculture currently provides over 23 million jobs in various phases of our economy—that is more than the payrolls of the transportation, steel, and automotive industries combined. Exports are currently projected at $37,500,000,000 for fiscal year 1984, with an agricultural trade surplus of over $19,500,000,000.

With such an impact on our lifestyle and our economy, agriculture can no longer be placed near the bottom of the Government's priority list. Long-term, solid commitments must be made to conserving our resources and retaining our competitive advantage in the world's agricultural research sector. Aggressive development of export markets for agricultural products is a necessity in order to increase and protect farm prices and farm income.

The efficiency and productivity of American agriculture is unparalleled in the world today. This success would never have been possible without the vast knowledge gained through agricultural research. From the immensely valuable basic research to the application of research findings, our research system has been and must continue to be on the "cutting edge." For this reason, the Committee is recommending a bold new initiative proposed by the administration—a $28,500,000 program for biotechnology research.

Despite the inroads our research program has made toward more efficient farming, the great uncertainty inherent in farming creates a tremendous financial burden, especially for small, low-equity farmers. For this reason, the Farmers Home Administration was created to assist

farmers who cannot obtain credit through normal commercial means. Besides making low-interest loans to its farm borrowers, FmHA has a wide array of rural development programs, including a highly successful rural housing program. This program not only creates construction jobs in rural America, but it creates an immeasurable amount of pride and sense of self-worth for the people who could not otherwise afford to own their own home.

Rural America also benefits from the opportunities the Rural Electrification Administration has afforded to those who could not otherwise have access to telephone or electrical service at affordable rates.

Rural families, as well as urban families, are subject to the agonizing pain of poverty. There are millions who could not live a healthy life were it not for assistance from the Federal Government. Through its nutrition assistance programs, the Food and Nutrition Service provides young and old alike with various forms of food assistance. Other agencies provide valuable services of inspection and regulation of the Nation's food supply so that the health of our people is protected.

While America has always sought to meet the needs of its own people, it has never lost sight of its important mission to expand beyond our shores to meet the needs of those throughout the world. Our contributions of food and financial assistance are unequaled by any other nation. Our efforts have relieved hunger and provided means by which developing nations can accelerate their progress toward financial independence.

Our interest in foreign countries is not without benefits here at home. Our export promotion programs are largely to be credited with the $19,500,000,000 agricultural trade surplus. The results are the creation of jobs throughout the economy and further proof of how valuable agriculture is to our national interests.

A certain degree of Federal participation in agriculture, rural development, and nutrition programs can, undoubtedly, be justified. However, we cannot create an excessive amount of dependence on the Government from the beneficiaries of these programs. The recipients of these benefits, whether direct or indirect, should recognize their responsibility to themselves and to their country to make use of the benefits in a manner which will lead them away from dependence on governmental assistance.

This Committee feels that several programs which the President has proposed for reduction or elimination are necessary and productive Government programs and has recommended restoration of many of the cuts in these programs. These include the feeding program for women, infants, and children (WIC); rural housing programs of the Farmers Home Administration; business and industrial loans; various Farmers Home grant programs; REA insured loans; conservation programs of the Soil Conservation Service and cost-sharing programs of the Agricultural Stabilization and Conservation Service; and the efforts of research and extension personnel to spread the word of the results of research accomplishments which will assist the farmers' productivity and efficiency.

COMMITTEE RECOMMENDATIONS

The Committee has made a great effort to meet the Senate-passed budget resolution requirement of retaining fiscal year 1984 funding levels. While the Committee feels that it would not be practicable to retain each account at the fiscal year 1984 level, the overall funding levels reflect the Committee's attempt to meet the goal of careful use and wise restraint in Government spending.

For fiscal year 1985, the Committee recommends a total level of $33,414,901,710 in new budget authority. This is $735,283,710 higher than the amount provided in fiscal year 1984 (excluding supplemental requests of $1,027,633,000), $1,195,017,710 more than the budget request and $1,554,776,160 more than the level provided in the House bill.

The House-passed bill includes a general provision which reduces by 1 percent each amount appropriated or otherwise made available. While the Committee recognizes the intent of the House in approving this provision, it is apparent that this action is not practicable for many of the accounts in the bill. The Committee has reviewed each account to determine which items could and should withstand the 1-percent reduction. Where appropriate, and where sharper cuts are not otherwise proposed, the Committee has agreed to the reduction. In other accounts, such as entitlements and reimbursements of revolving funds, appropriations as required by law will be necessary either this year or at some point in the future. The Committee feels that delaying the appropriations for these accounts is inappropriate. Obviously, there are also some items which the Committee feels warrant increases in appropriations, especially those dealing with human health and safety. One example of this is a $21,552,000 increase in the Food Safety and Inspection Service for inspection of meat and poultry products.

The Committee also recommends against concurrence in the House-passed manner of funding for nutrition programs and various other accounts where true cost is hidden. The WIC program and the food stamp program are funded for less than the complete fiscal year in the House-passed bill, and the Public Law 480 program cost is masked by the House provision to reduce the appropriation level for titles I and III and transfer moneys from the Commodity Credit Corporation to finance foreign sales of commodities under this program. Because the Committee is attempting to show a true picture of these programs, the Committee recommendations appear to be above the House-passed funding levels for these programs. In actuality, based on current full fiscal year 1985 estimates, the program levels are the same as those in the House Committee-reported bill.

This report and the bill which it accompanies (H.R. 5743) are the Committee's recommendations for dealing with all these important issues. The funding levels contained in the bill represent the Committee's attempt to strike the delicate balance between meeting the vital needs of the American people and assuming the equally essential responsibility of minimizing the burden on the American taxpayer.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

1984 appropriation	[1] $5,045,000
1985 budget estimate	5,240,000
House allowance	[2] 5,187,600
Committee recommendation	5,240,000

[1] Excludes pay supplemental of $99,000.
[2] Reflects a 1-percent reduction of $52,400, as required by section 629.

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries, and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

COMMITTEE RECOMMENDATIONS

For the Office of the Secretary for fiscal year 1985, the Committee recommends an appropriation of $5,240,000. This is $195,000 more than was provided in 1984, $52,400 more than the House allowance and the same as the budget request. The Committee has restored the 1-percent reduction required by section 629.

NEW QUARANTINE TECHNOLOGIES

The Committee directs the Secretary to pursue his mandate to develop new quarantine technologies to replace chemical methods of pest control. With the recent cancellation of registrations for such pesticides as ethylene dibromide (EDB) and the possibilities offered by irradiation as an alternative to fumigation, the Secretary is expected to advance the work of the task force on new quarantine technologies and to keep the Committee apprised of its progress.

STANDARD LEVEL USER CHARGES, USDA

1984 appropriation	$64,270,000
1985 budget estimate	67,254,000
House allowance	[1] 66,581,460
Committee recommendation	67,254,000

[1] Reflects a 1-percent reduction of $672,540, as required by section 629.

Standard level user charges (SLUC) are paid by the Department and many of its agencies to the General Services Administration (GSA) for use of space, facilities, and certain services in buildings owned or leased by the Federal Government. Annual appropriations are made to the Department and its agencies to pay these charges.

Agency budget estimates for SLUC are based on GSA's projection of what it will charge the agency in a given budget year. GSA sets rates according to the market value of property or space occupied, and independent of any agency input. SLUC receipts are placed in a fund used by GSA in the management of its real property operations. All Federal Government agencies utilizing Government-owned or leased property pay into this fund, which provides GSA with a pool of capital to support overall Government space needs. In effect, this means that agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide for vacant space in GSA's inventory.

COMMITTEE RECOMMENDATIONS

For standard level user charges, USDA, for fiscal year 1985 the Committee recommends an appropriation of $67,254,000. This is the same amount as the budget request, $2,984,000 more than the amount provided in 1984, and $672,540 more than the House allowance. The Committee has restored the 1-percent reduction required by section 629.

The Committee concurs with the House in providing bill language permitting the Department to transfer funds from an agency's appropriation to pay for additional SLUC rent if a move into GSA rental space becomes necessary during the year. This will also allow an agency that is vacating GSA space to receive funds from the SLUC account in order to pay for nonbudgeted commercial space. The Committee expects to be notified whenever this authority is utilized.

ADVISORY COMMITTEES

1984 appropriation	$1,398,000
1985 budget estimate	1,398,000
House allowance	[1] 1,384,020
Committee recommendation	1,384,020

[1] Reflects a 1-percent reduction of $13,980, as required by section 629.

The Department of Agriculture and several of its agencies utilize advisory committees to provide supplemental and specialized expertise that is valuable in assuring that information is timely and accurate and that decisions are based on the best available knowledge and technologies. These advisory committees are comprised of experts and professionals from the academic and private sectors.

The following table displays Advisory Committees in existence during fiscal year 1984:

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)

Committee name	Current members	Fiscal year 1984 budget	Agency appropriation
Advisory Committee on Foreign Animal and Poultry Diseases	[1] 18	$31,000	APHIS
Advisory Committee on Instruments and Standards for Cotton	[1] 14	26,000	AMS
Advisory Committee on Meat and Poultry Inspection	[1] 17	25,000	FSIS
Advisory Committee on Swine Health Protection	[1] 17	14,000	APHIS
Agribusiness Promotion Council	[1] 28	14,500	OICD
Agricultural Policy Advisory Committee for Trade	[1] 41	14,000	FAS
Agricultural Technical Advisory Committee for Trade on Cotton	[1] 11	13,000	FAS
Agricultural Technical Advisory Committee for Trade on Dairy Products	[1] 17	13,000	FAS
Agricultural Technical Advisory Committee for Trade on Fruits and Vegetables	[1] 25	13,000	FAS
Agricultural Technical Advisory Committee for Trade on Grain and Feed	[1] 18	13,000	FAS
Agricultural Technical Advisory Committee for Trade on Livestock and Livestock Products	[1] 18	13,000	FAS
Agricultural Technical Advisory Committee for Trade on Oilseeds and Products	[1] 13	12,000	FAS
Agricultural Technical Advisory Committee for Trade on Poultry and Eggs	[1] 10	13,000	FAS
Agricultural Technical Advisory Committee for Trade on Sweeteners and Tropical Products	[1] 9	12,000	FAS
Agricultural Technical Advisory Committee for Trade on Tobacco	[1] 9	11,700	FAS
Animal Health Science Research Advisory Board	12	15,700	CSRS
Citizens Advisory Committee on Equal Employment	[1] 24	67,000	DA
Committee of Nine	9	27,500	CSRS
Cooperative Forestry Research Advisory Board	16	37,000	CSRS
Dietary Guidelines Advisory Committee	9	6,000	HNIS
Federal Grain Inspection Service Advisory Committee	[1] 12	54,000	FGIS
Flue-Cured Tobacco Advisory Committee	38	[2] (23,000)	AMS
General Conference Committee of the National Poultry Improvement Plan	7	9,000	APHIS
Hops Marketing Advisory Board	5	200	AMS
Human Nutrition Board of Scientific Counselors	[1] 14	33,000	ARS
Joint Nutrition Monitoring Evaluation Committee	5	26,300	HNIS
National Advisory Committee for Tobacco Inspection Service	14	[2] (30,000)	AMS
National Advisory Council on Child Nutrition	19	26,700	FNS
National Advisory Council on Maternal, Infant, and Fetal Nutrition	21	28,500	FNS
National Advisory Council on Rural Development	30	97,500	ORDP

See footnotes at end of table.

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)—Continued

Committee name	Current members	Fiscal year 1984 budget	Agency appropriation
National Agriculture Cost of Production Standards Review Board	11	$27,500	ERS
National Agricultural Research and Extension Users Advisory Board	25	155,998	S&E
National Arboretum Advisory Council	16	10,912	ARS
National Plant Genetic Resources Board	[1] 17	18,080	CSRS
New Requirements and Contingencies		[4] 82,600	DA
Plant Variety Protection Advisory Board	18	7,000	AMS
Policy Advisory Committee for the Science and Education Research Grants Program	[1] 17	13,500	OGPS
President's Task Force on Food Assistance	15	194,000	FNS
Rangeland Research Advisory Board	12		CSRS
Soybean Research Advisory Institute	11	56,810	ARS
Study Committee on Premiums and Discounts for Upland Cotton	10	[3] (8,270)	ASCS
Technical Advisory Committee for Science and Education Research Grants Program	[1] 189	165,000	OGPS
Total		1,398,000	

[1] Committee membership varies from year to year. Membership shown is for fiscal year 1984.
[2] These committees are funded from user fees and are not included in the total.
[3] This committee is funded by CCC and is not included in the total.
[4] A reserve is included for newly created committees and for unanticipated increases in committee budgets.

COMMITTEE RECOMMENDATIONS

For advisory committees for the Department of Agriculture for fiscal year 1985, the Committee recommends an appropriation of $1,384,020, $13,980 less than the appropriation for fiscal year 1984 and the budget request, and the same as the amount provided in the House bill. The Committee concurs with the 1-percent reduction required by section 629.

The Committee directs that future year budget requests and explanatory notes continue to reflect a separate account for advisory committees. It also concurs in the direction of the House that the explanatory notes for fiscal year 1985 continue to provide greater detail concerning the activities of the Department's advisory committees.

DEPARTMENTAL ADMINISTRATION

1984 appropriation	[1] $17,999,000
1985 budget estimate	18,697,000
House allowance	[2] 18,510,030
Committee recommendation	18,697,000

[1] Excludes pay supplemental of $44,000 for budget and program analysis and $239,000 for personnel, finance and management, operations, minority affairs, small and disadvantaged business utilization, and regulatory hearings and decisions.
[2] Reflects a 1-percent reduction of $186,970, as required by section 629

The Departmental staff offices provide staff support to the top policy officials of the Department and overall direction and coordination of

the work of USDA's program agencies to insure the efficient and effective management and operation of the Department.

Activities carried out by the Departmental staff offices include:

—Overall direction and administration of the Department's budgetary functions including development, presentation, execution control, reporting and adjusting fund and manpower resources; evaluation of program and legislative proposals for program, budget, and related resource implications; and analysis of program and resource issues and alternatives, and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process;

—Staff and support services to agency programs in the management of real and personal property, procurement, contracts, financial affairs, management improvement, and automated data processing;

—The personnel management program of the Department;

—Coordination and supervision of equal opportunity responsibilities in the Department's programs and employment;

—Management and administration of finance, accounting, Federal assistance, occupational safety and health, productivity, and management improvement of the Department;

—Oversight of all procurement activities to assure maximum participation of small and disadvantaged business in the procurement process; and

—Regulatory hearings and decisions by the administrative law judges who hold rulemaking and adjudicatory hearings and issue initial decisions and orders, and by the judicial officer who serves as final deciding officer in regulatory proceedings.

COMMITTEE RECOMMENDATIONS

For Departmental Administration for fiscal year 1985, the Committee recommends an appropriation of $18,697,000. This is $698,000 more than was provided in 1984, the same as the budget estimate, and $186,970 more than the amount provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

WORKING CAPITAL FUND

1984 appropriation	
1985 budget estimate	$10,000,000
House allowance	[1] 7,920,000
Committee recommendation	6,000,000

[1] Reflects a 1-percent reduction of $80,000, as required by section 629.

The USDA working capital fund was authorized in 1944 by 7 United States Code 2235 and is used to finance services provided to USDA agencies on a centralized basis. Under the law, only activities approved by the Director of OMB may be carried out under the fund.

The fund received an initial appropriation of $400,000 in 1944. Over the years additional working capital has been made available through initial transfers into the fund of activities meeting the above criteria and

through congressional authorizations to receive growth capital from serviced USDA agencies. Working capital fund operations are financed by charging user agencies the actual costs of providing the centralized services they require. The following services are performed for the agencies and financed through the working capital fund: central supply and other central services; reproduction services; motion picture, photographic, and other visual information services; National Finance Center; and automated data processing (ADP) services.

COMMITTEE RECOMMENDATIONS

For additional capital for the working capital fund, the Committee recommends an appropriation of $6,000,000. This is $4,000,000 less than the budget request and $1,920,000 less than the amount provided by the House. There was no appropriation for additional capital for fiscal year 1984. These funds will be used to purchase equipment for the Departmental Computer Centers and the National Finance Center.

The Committee also concurs with the House in retaining the general provision which permits the accumulation of growth capital not to exceed $2,000,000, and which provides that no funds appropriated to an agency shall be transferred to the working capital fund without the approval of the agency administrator.

Further, the Committee expects obligational charges against the fund to not exceed $91,712,000 during fiscal year 1984 and $102,912,000 during fiscal year 1985.

The Committee has added bill language which would make this appropriation available without fiscal year limitation. The working capital fund is a revolving fund, and as such, any moneys appropriated to it should be available without fiscal year limitation.

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

1984 appropriation	[1] $7,407,000
1985 budget estimate	7,691,000
House allowance	[2] 7,614,090
Committee recommendation	7,614,090

[1] Excludes pay supplemental of $59,000.
[2] Reflects a 1-percent reduction of $76,910, as required by section 629.

Governmental and Public Affairs serves as the central organization to insure consistency and coordination of the Department's public information and external affairs activities and directing the defense and emergency preparedness programs of the Department.

The three major programs are:

Public affairs.—Provides direction, leadership, and balance in the development and delivery of useful information, through all media, to the public on USDA's research, educational, and regulatory activities.

Congressional affairs.—Maintains liaison with the Congress and the White House on legislative matters of concern to the Department and exercises responsibility for the coordination of all congressional matters except budgetary affairs of the Department.

Intergovernmental affairs.—Directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra and intergovernmental relations, defense program, and emergency preparedness program.

COMMITTEE RECOMMENDATIONS

For the Office of Governmental and Public Affairs, the Committee recommends an appropriation of $7,614,090. This is the same as the amount provided by the House, $207,090 more than was provided in 1984, and $76,910 less than the budget request. The Committee has concurred with the 1-percent reduction required by section 629.

In concurring with the budget request, the Committee has included the appropriation for congressional affairs in this account. It does not concur in the House action to establish separate accounts for public affairs, congressional affairs, and intergovernmental affairs. The Committee does not intend to interfere with the Department's organization of these functions since problems in management and administration may result.

OFFICE OF THE INSPECTOR GENERAL

	Appropriation	Transfer from food stamp program	Total
1984 appropriation	$29,211,000	($15,368,000)	[1] ($44,579,000)
1985 budget estimate	30,142,000	(15,924,000)	(46,066,000)
House allowance	29,840,580	(15,764,760)	[2] (45,605,340)
Committee recommendation	30,142,000	(15,924,000)	(46,066,000)

[1] Excludes pay supplemental of $417,000.
[2] Reflects a 1-percent reduction of $460,660, as required by section 629.

The Office of the Inspector General was established by law October 12, 1978, by the Inspector General Act of 1978. This reaffirmed and expanded the Office established by order of the Secretary of Agriculture.

The Office is headed by an Inspector General who reports directly to the Secretary, keeping him informed of fraud, abuses, and deficiencies within the Department. The Inspector General is also required by law to report periodically to the Congress. The Office provides policy direction and conducts, supervises and coordinates all audits and investigations. It also reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations.

Pursuant to the Agriculture and Food Act of 1981, the Inspector General has authority to designate special agents to carry firearms while engaged in official duties under the Inspector General Act of 1978 such as: making arrests; executing warrants for arrests; searching of premises; and seizure of evidence while conducting investigations of suspected or alleged felony criminal violations involving USDA programs.

COMMITTEE RECOMMENDATIONS

For the Office of the Inspector General for fiscal year 1985, the Committee recommends an appropriation of $30,142,000. In addition to amounts directly appropriated, the Committee recommendation includes a transfer of $15,924,000 from the food stamp program, for a total program level of $46,066,000. This is $460,660 more than the level recommended by the House, $1,487,000 more than was provided in 1984, and the full amount of the budget estimate. The Committee has restored the 1-percent reduction required by section 629.

The Committee's recommendation includes an increase of $500,000 as the first step toward implementing a nationwide integrated office automation system that will link field auditors and investigators in an effort to improve productivity, flow of information, and administrative management and support. The office automation equipment will be acquired and installed over a 3-year period.

The Committee reiterates its position that the Inspector General should continue to set program priorities based on need rather than consider the amount of funds transferred from the food stamp program to be a mandate of the level of food stamp activity.

OFFICE OF THE GENERAL COUNSEL

	Appropriation	Transfer from food stamp program	Total
1984 appropriation	$14,253,000	($723,000)	[1] ($14,976,000)
1985 budget estimate	15,142,000	(723,000)	(15,865,000)
House allowance [2]	14,928,210	(778,140)	(15,706,350)
Committee recommendation	14,642,000	(723,000)	(15,365,000)

[1] Excludes pay supplemental of $330,000.
[2] Reflects a 1-percent reduction of $158,650, as required by section 629.

The Office of General Counsel serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative and judicial proceedings, examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

COMMITTEE RECOMMENDATIONS

For the Office of the General Counsel for fiscal year 1985, the Committee recommends an appropriation of $14,642,000. This is $389,000 more than was provided in 1984, $500,000 less than the budget estimate, and $286,210 less than the amount provided in the House bill. The Committee has also recommended a transfer from the food stamp program of $723,000 in order to provide a total of $15,365,000 for fiscal year 1985. As with the funds transferred to the Office of the Inspector General, the General Counsel should not consider these funds as a minimum or a maximum level of activity on food stamp issues.

The Committee has not included the requested increase of $500,000 to fund legal services which were previously funded through reimbursement from the Forest Service/Land and Water Conservation Fund. It will expect the Forest Service to continue to reimburse the OGC for legal services as it has for the past 20 years.

The Committee does not concur with the action of the House to increase over the budget request the amount of funds transferred from the food stamp program to fund this office. An increase in this transfer will only result in a requirement for additional appropriations for the food stamp program.

Federal Grain Inspection Service

SALARIES AND EXPENSES

1984 appropriation	[1] $6,861,000
1985 budget estimate	6,936,000
House allowance	[2] 6,866,640
Committee recommendation	6,936,000

[1] Excludes $6,000,000 recapitalization of revolving fund.
[2] Reflects a 1-percent reduction of $69,360, as required by section 629.

The Federal Grain Inspection Service was established on November 20, 1976, pursuant to the U.S. Grain Standards Act, as amended (Public Law 94–582). The act was amended again in 1977, to provide an advisory committee, technical amendments, and appropriation funding for field supervision, and in 1980, to eliminate most mandatory inbound weighing at export port locations. The act was amended again under the Omnibus Budget Reconciliation Act of 1981. The act now requires user fee funding to support supervision and administration of the inspection and weighing programs, areas previously covered by appropriations. The Service carries out grain inspection and weighing programs under the U.S. Grain Standards Act and other programs under the authority of the Agricultural Marketing Act of 1946, as amended. The programs under the Agricultural Marketing Act of 1946 include the inspection and grading of rice, dry beans, peas, lentils, processed grain products, hay, straw, hops, and other agricultural commodities as were assigned to the agency by the Secretary of Agriculture under the authority of the Reorganization Plan No. 2 of 1953.

The Federal Grain Inspection Service provides for the establishment of official U.S. standards for grain, and insures the uniform application of the standards through a series of official inspection, weighing, weight certification, and supervision programs. Through these permissive and mandatory programs, the Service aids in advancing orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and foreign buyers.

The amended U.S. Grain Standards Act requires the Service to provide Federal or delegated State original inspection and weighing services at export ports and Federal supervision at all locations. The supervision program includes supervision at export ports by Federal inspectors and weighers, and licensed inspectors and weighers employed by

eight delegated State agencies. The agency supervises licensed inspection and weighing personnel employed by 83 designated State and private agencies performing nonexport services at interior locations. The inspection and weighing programs utilize Federal and delegated State personnel for the mandatory inspection and weighing of outbound grain at export ports, and for the permissive inspection and weighing of inbound grain at export ports. Federal personnel also carry out nationwide appeal inspections and the inspection of rice and other assigned commodities. The costs of nearly all field services and most headquarters activities are financed from fees charged for services performed. Compliance and standardization activities, and international monitoring are financed from appropriations.

COMMITTEE RECOMMENDATIONS

For the Federal Grain Inspection Service for fiscal year 1985, the Committee recommends an appropriation of $6,936,000. This is $75,000 more than the amount provided in 1984, the same as the budget request, and $69,360 more than the House allowance. The Committee has restored the 1-percent reduction required by section 629.

The Committee restates its interest in the development of a National Technical Center and will expect FGIS to report on progress in this direction in its testimony on the fiscal year 1986 budget request.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

1984 appropriation	($36,000,000)
1985 budget estimate	(36,856,000)
House allowance	[1](36,487,440)
Committee recommendation	(36,856,000)

[1] Reflects a 1-percent reduction of $368,560, as required by section 629.

The Federal Grain Inspection Service provides an official grain inspection and weighing system under the U.S. Grain Standards Act (USGSA), and official inspection of rice and grain related products under the Agricultural Marketing Act (AMA) of 1946, as amended.

Federal inspection and weighing services under the USGSA are financed entirely by a user fee-supported revolving fund. Programs covered by the revolving fund include: original grain inspection and weighing at selected export ports; original inspection of U.S. grain exported through Canada; Federal appeals of original grain inspections; stowage inspections on containers carrying U.S. grain for export; and registration of grain firms operating in the export grain trade. The AMA provides for the inspection and grading of rice and other commodities. All administrative and field costs for this service are also financed from user fees.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $36,856,000 on the obligation of funds collected through user fees for fiscal year 1985. The total limitation is the same amount specified in the budget, $856,000 more than provided in fiscal year 1984, and $368,560 more than provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

AGRICULTURAL RESEARCH SERVICE

1984 appropriation	$474,278,000
1985 budget estimate	481,040,000
House allowance	[1] 480,525,210
Committee recommendation	489,022,000

[1] Reflects a 1-percent reduction of $4,853,790, as required by section 629.

As the U.S. Department of Agriculture's in-house agricultural research unit, the Agricultural Research Service has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems; research to support Federal action and regulatory agencies; expertise to meet national emergencies; research support for international programs; and scientific resource to the executive branch and Congress.

The mission of Agricultural Research Service is to develop new knowledge and technology which will insure an abundance of high quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to (1) manage and use the Nation's soil, water, air, and climatic resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

ARS also coordinates and provides program leadership for higher education work of the Department, as provided for by section 1417 of Public Law 95–113, as amended, and section 1419 of Public Law 97–98.

COMMITTEE RECOMMENDATIONS

The Committee has included bill language which would raise the maximum annual uniform allowance to more nearly approximate the replacement costs for most ARS employees who qualify for a uniform allowance. Uniforms are required for safety technicians, guards, nurses, deckhands, and a few field workers at the Arboretum. Current cost level for uniforms approximates $10,000 per annum, and the estimated cost for uniforms following this change would be $30,000.

The following table summarizes Committee action for the Agricultural Research Service:

AGRICULTURAL RESEARCH SERVICE

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
Basic research	231,694	233,444	233,444	233,444
Animal health and protection	52,236	52,736	52,736	52,736
Range and pasture	7,457	7,657	7,657	7,657
Germplasm resources	14,670	14,670	14,670	14,670
National Arboretum	2,931	2,931	2,931	2,931
Acid precipitation	284	384	384	384
Conservation and use of land and water:				
Colorado River Basin	936	936	936	936
RCA	5,736	5,736	5,736	5,736
Water use efficiency	9,724	9,724	9,274	9,724
Human nutrition	34,334	34,334	36,434	36,050
Tropical/subtropical	735	735	735	735
Minor use pesticide	1,170	1,170	1,170	1,170
Wool and mohair	418	418	418	418
Guayule	1,304	1,304	1,304	1,304
Bee research	3,880	3,880	3,880	3,880
Aquaculture	322	322	322	322
Tobacco research	5,430	5,430	5,430	5,430
Stored tobacco insects	227	227	227	227
Beef forage	1,500	1,500	1,500	1,500
Brucellosis	2,744	2,744	3,244	2,744
Dairy forage	2,829	2,829	2,829	2,970
Dairy herd improvement	1,616	1,616	1,616	1,616
Beckley, W. Va., Conservation Lab	1,977	1,977	1,977	2,076
Kearneysville, W. Va., fruit research	2,571	2,571	2,571	2,700
Grasshopper fungus	175	175	175	175
Integrated pest management	10,117	10,117	10,117	10,117
Pickles, onions, and carrots	1,580	1,580	1,580	1,580
Pseudorabies	849	849	849	849
Rice research	2,514	2,514	2,514	2,514
Saline and sodic soils	300	300	300	300
Sugarcane production	2,328	2,328	2,328	2,578
TCK smut in wheat	404	404	404	404
Toxicology Lab study	200	200	200	200
Yellow wilt disease (sugar beet disease)	25	25	25	25
Tropical fruit flies	4,100	4,550	4,850	4,850
Peach research	1,743	1,743	1,743	1,743
Potato research	4,761	4,761	4,761	4,999
Johne's disease	375	375	375	375
Post-graduate fellowships	5,000			5,000
Animal feeds research [1]	700		700	700
Plant stress and water conservation research	750	750	900	750
South Central Agriculture Research Center, Lane, Okla	176	176	300	176
Cherry dieback research	107	107	172	107
Tillage/weeds research	190	190	390	190
Avian influenza	450	650	650	650
Transfer to APHIS (Plum Island)	4,320			
All other	46,389	59,971	60,171	59,380
Total, Agricultural Research Service	474,278	481,040	[2] 485,379	489,022

[1] Animal feeds research was funded from the Department's reserve fund in fiscal year 1984.
[2] Does not reflect the 1-percent reduction of $4,853,790, as required by section 629.

Post-graduate fellowships.—This program provides for institutional grants to attract and support new graduate students, not previously enrolled at the same degree level, in targeted shortage areas of the food and agricultural sciences. It is designed to serve as a national investment strategy to attract outstanding students to prepare for key scientific and educational roles in the food and agricultural sciences which are primarily the domain of publicly conducted agricultural research and education programs. A maximum of 90 percent of the program funds are used to support doctoral fellows and 10 percent are used to support master's fellows in those targeted disciplines in which insufficient numbers of individuals are available. All institutions offering a master's or doctoral degree in one or more of the targeted fields are eligible to participate. Since agricultural research and education efforts are increasingly being threatened by growing shortages of agricultural scientific and professional expertise, the Committee believes it imperative that this program be continued and, therefore, recommends that $5,000,000 be made available for fiscal year 1985. This is the same amount provided in 1984, $5,000,000 more than the budget estimate and that provided in the House bill. The Committee expects that at least $1,000,000 of these funds will be targeted to 1890 Colleges and Universities, Tuskegee Institute, and the University of the District of Columbia.

Morrill-Nelson.—The fiscal year 1985 budget proposed the addition of bill language which would repeal the provisions of the Morrill-Nelson Act which provide funds to States for agricultural research. The Committee concurs with the House action in not including the proposed repeal language in the bill.

Basic agricultural research.—For basic agricultural research, the Committee recommends an appropriation of $233,444,000. This is $1,750,000 more than the amount provided in 1984, the same as the budget request, and the amount provided in the House bill.

Animal health and protection.—For animal health and protection research activities, the Committee recommends $52,736,000. This is $500,000 more than provided in 1984, the same as the House allowance, and the same amount as the budget request.

Range and pasture.—For range and pasture research, the Committee recommends an appropriation of $7,657,000. This is $200,000 more than was provided in 1984, and the same as the budget request and the House allowance.

Human nutrition.—For human nutrition research, the Committee recommends $36,050,000. This is $1,716,000 more than provided in 1984 and in the budget request, and $384,000 less than the House allowance. The Committee will expect the increase to be equally divided between the nutrition centers located at Tufts University, Grand Forks, Baylor College of Medicine, and San Francisco. The Committee notes that in June 1984, the Beltsville Human Nutrition Research Center received an additional $250,000 over the 1984 appropriation as a result of management savings and that this increase in the base program will continue into fiscal year 1985.

Brucellosis research.—The Committee does not concur with the additional appropriation of $500,000 for brucellosis research provided by the House. The Committee believes adequate funds exist within the Service to increase efforts in this area.

Kearneysville, W. Va.—The Committee recommends an appropriation of $2,700,000 for the Appalachian Fruit Research Station which conducts research to improve production, harvesting, and disease and insect resistance of various fruits and berries. This is $129,000 more than the amount provided in 1984, in the budget request, and in the House allowance and is to be used to expand the ongoing research program.

The Committee will expect the Department to continue the research on cold hardiness and delayed dormancy of fruits and berries grown in the mid-Atlantic States at the fiscal year 1984 level of $200,000.

Beckley soil laboratory.—The Committee recommends an appropriation of $2,076,000 for the Beckley, W. Va., soil conservation laboratory. This is $99,000 more than provided in 1984, in the budget request and in the House bill. The additional funding provided in this bill is to be applied toward the hiring in fiscal year 1985 of a research soil scientist with training in computer science.

After 4 years, this facility only has about 50 percent of the staffing and equipment required to carry out its mission. The Department is directed to review the staffing and equipment needs of the laboratory and to initiate actions to remedy this situation. Further, the Department is directed to furnish the Committee with a full report on what its plans are for the staffing and equipping of that facility, as well as any appropriations necessary to meet those requirements.

TCK smut in wheat.—*Tellitia controversa* Kuhn (TCK), commonly called dwarf smut, is a disease of wheat known to occur only in small areas of the Northwestern United States and a few other countries of the world. The Committee continues its interest in insuring that better controls are developed to prevent the spread of dwarf smut's dust-like spores. Consequently, the Committee recommends an appropriation of $404,000, the same amount as provided in 1984, in the budget request, and in the House bill.

Soil and water conservation research in Alaska.—The Committee recommends that funding be provided at the 1984 level for the continuation of soil and water conservation research in Alaska. This research is part of an ongoing USDA program designed to help Alaska avoid the soil erosion problems that are now facing the continental United States.

Tropical/subtropical research.—The Committee recommends an appropriation of $735,000 for tropical and subtropical research programs under section 406 of the Agricultural Trade Development Assistance Act. This is the same amount as provided in 1984, the same as the budget request and the House allowance.

Potato research.—The Committee reiterates its interest in the acceleration of the Eastern Russet breeding program and directs that these activities be continued at least at the current level in Maine, Pennsylvania, New York, and Maryland.

In addition, the Committee recommends an increase of $200,000 for potato research activities in the Pacific Northwest. If the demands of domestic and foreign consumers are to be met, it is essential that we have a well-directed breeding program emphasizing improvement of present varieties and the search for new and more efficient varieties.

Further, the Committee directs the Department to use funds available to continue work on the investigation of methodology and application of chemicals for control of bacterial pathogens of potatoes.

Sugarcane.—The Committee recommends $2,578,000 be appropriated for research on sugarcane. This is $250,000 more than the amount provided in fiscal year 1984, the budget request and in the House bill. The $250,000 increase is to be used for biotechnology research on sugarcane in Hawaii.

In addition, the Committee concurs with bill language which allows a 1-year option to purchase land at the Sugarcane Research Laboratory at Houma, La. It is the Committee's understanding that some land now leased by the laboratory has been offered for sale. The Committee action will give the Department the flexibility it needs to determine a fair purchase price, to review the offer in light of that determination, and with the approval of the appropriate committees, to purchase the property using available funds. The Committee will expect a report on the Department's evaluation of this offer, including an independent appraisal of the specific parcel of land involved.

Tropical fruit flies.—For research on tropical fruit flies, the Committee recommends an appropriation of $4,850,000. This is $300,000 more than the budget request, $750,000 more than the amount available in fiscal year 1984, and the same as the amount in the House bill. The increase of $300,000 is to initiate research in Hawaii to develop and refine alternative quarantine treatments for tropical fruits. This amount is in addition to other amounts contained in the budget request. Because of the long-term nature of this research, the Committee will expect the Department to initiate a sustained effort to address quarantine treatments and related problems.

Fruit fly attractant research.—Within the funds available, the Committee directs that $150,000 be utilized for Caribbean fruit fly attractant research. This research is important to efforts to monitor Caribfly populations for surveys, eradication programs, and to implement the fly-free zone concept which eliminates the need for quarantine treatment like EDB.

Fruit research.—The Committee recommends an increase of $48,000 over the 1984 level, the budget estimate and the House level, for the fruit research at Wenatchee, Wash. It also recommends an increase of $61,000 for fruit research at Yakima, Wash. The Committee recognizes the invaluable research being conducted at these two facilities.

Fruit and nut research.—The Committee recognizes the need to continue and expand current research efforts at the Southeastern Fruit and Tree Nut Laboratory in Byron, Ga. Funding for this facility has remained relatively level for the past 4 years. The Committee, therefore,

recommends that the Southeastern Laboratory be funded at a level of $1,750,000 for fiscal year 1985.

Pima cotton.—The Committee is aware of the importance of the pima cotton research program and directs that, within available funds, $200,000 be provided to continue a viable and effective breeding program at Tempe, Ariz.

Johne's disease.—The Committee is aware of the potential spread of Johne's disease and expects ARS to give increased attention to the development of quicker and simpler testing procedures.

Avian influenza.—For avian influenza research, the Committee recommends $650,000, an increase of $200,000 over the fiscal year 1984 level. This is the same as the budget request and the amount provided in the House bill. In view of the recent outbreak which devastated parts of Pennsylvania, Maryland, and Virginia, the Committee feels that increased funding is needed to research ways to prevent the spread of the disease should another outbreak occur.

Grasshopper fungus.—For research on grasshopper fungus, the Committee recommends $175,000. This is the same as the amount provided in 1984, in the budget request, and in the House bill.

Animal feeds research.—The Committee concurs with the House in restoring $700,000 to the budget request for feeds research. This will provide for the second year of funding for the comprehensive agricultural and aquacultural feeds production program.

Energy research.—The Committee notes the continuing escalation of energy costs for agriculture. Department of Energy estimates have indicated that farmers annually use the energy equivalent of 46 million barrels of oil to irrigate farmland at a cost of over $1,000,000,000. The Committee encourages the Department of Agriculture to direct greater energy research efforts at developing irrigation technology which would reduce and, perhaps, eliminate the farming sector dependence upon oil and oil products. The Committee is aware of efforts to adopt Stirling engine technology to irrigated agriculture enabling irrigation systems to utilize solid fuels such as coal or cornstalks. The Committee will expect the Department to evaluate the Stirling engine and other promising energy conservation concepts and report to the Committee its recommendations for pursuing this approach for the benefit of U.S. agriculture.

Dairy forage.—For dairy forage research, the Committee recommends $2,970,000. This is $141,000 more than the budget request, the House allowance, and the amount provided in 1984.

Germplasm.—The Committee concurs with the recommendation of the House to appropriate $14,670,000 for national plant germplasm resources. This is the same as the amount provided in 1984, the budget request and the House bill.

It is the Committee's understanding that the Department is in the process of assessing more precisely the need for an increased germplasm effort in view of the rapidly developing biotechnologies. The Committee believes that ARS and CSRS should consider providing additional

support for the national germplasm system programs in developing the budget for fiscal year 1986. It is intended that any increase should provide the proper balance to enable biotechnologies and germplasm research to proceed in concert.

Hops research.—The Committee believes that the hops germplasm research facilities and staff located at Corvallis, Oreg., and Prosser, Wash., are vital to the health of the industry. Therefore, the Committee directs that the USDA-ARS support of hops research in fiscal year 1985 operate at a level of $200,000. The Committee expects that all personnel will be maintained and that the Committee will be informed prior to any program or personnel changes.

Leafy spurge.—The Committee recognizes the importance of research on leafy spurge, and, therefore, expects the Department to continue funding this program at no less than the fiscal year 1984 level. Leafy spurge is a noxious weed that infests an estimated 3 million acres in the upper Great Plains States.

Rice research.—The Committee again recognizes the importance of rice research activities conducted at the ARS facility in Stuttgart, Ark. The Department will be expected to at least continue the research activities and staffing levels at the Stuttgart facility commensurate with recent-year levels.

Integrated pest management.—The Committee directs that, within funds available, the $200,000 Federal-State cooperative research program on yellow star thistle be continued.

Pea and lentil research.—The Committee includes in its recommendations for research funding $100,000 for the continuation of pea and lentil research in the Pacific Northwest.

Lygus bug.—The Committee recommends that funding be provided to continue the program to control lygus bug on peas and lentils. The project is a cooperative effort conducted at the University of Idaho, at Washington State University, and at the USDA-ARS Insect Laboratory in Yakima, Wash. The industry is providing a total of $30,000 toward this project which was started with a grant from ARS.

Vegetable oils as fuel.—The Committee directs that of the funds provided to ARS, $100,000 be utilized for research being conducted at Moscow, Idaho, on the use of vegetable oils as a replacement for diesel fuel.

The Committee also expects ARS to continue the enhanced funding levels for research at the On-Farm Energy Research Center located in Columbia, Mo.

Biological control.—The Committee recognizes the importance of biological control research and its relevance to control of tropical and subtropical pests, heretofore either not introduced or known in the United States. The Committee has been impressed with the research efforts of the University of Florida in the area of biological control and understands that an expansion of this effort is being contemplated for the very near future. The Committee supports expansion of this research effort and urges USDA to be cooperative in every way possible.

Peach research.—The Committee recommends an appropriation of $1,743,000 for the study of genetic and biological problems affecting peach tree longevity and productivity and for research on diseases which damage harvested peaches. This is the same amount provided in 1984 and in the House bill.

Lesser cornstalk borer, mole cricket, and diaprepes.—The Committee recognizes efforts to expand extramural agreements with the University of Florida regarding research on the lesser cornstalk borer, the mole cricket, and diaprepes. The Committee believes this research is of high priority and should be continued.

Small Business Innovation Development Act.—The Committee will expect the budget justification material submitted by the Department to continue to identify the level of funding required to be set aside for small business research efforts in each agency as well as the proposed research program that will be supported with these funds.

Northern Plains Soil and Water Research Center, Sidney, Mont.—In fiscal year 1985, $300,000 has been allocated for research on modern tillage systems, such as low tillage and no tillage, and $200,000 for research on weeds and leafy spurge at this location.

Japanese beetle research.—Nursery stock is one of the primary commodities regulated to prevent spread of the Japanese beetle, and the loss in recent years of pesticides which were formally used as certification treatment has made the movement of nursery stock from quarantined areas into noninfested areas a difficult and costly procedure. The Committee will expect ARS and APHIS to conduct additional work to develop certification procedures for woody ornaments and other nursery stock which would facilitate movement of the materials in interstate commerce.

Bee research.—For bee research, the Committee recommends $3,880,000, the same as the 1984 level, the budget request, and the House bill. The Committee directs that $150,000 of available funds be utilized for acarine mite research. The Committee is aware of efforts to establish a cooperative agreement through Cornell University for research in Brazil on the verroa mite. There is also a possibility of a cooperative agreement with universities in the United States and in Mexico for research on acarine mite. The Committee expects the Department to accelerate its efforts to establish these agreements. Within the amount provided for bee research, the Committee expects that work on chalk brood syndrome will continue at the $100,000 level.

The Committee also recognizes that pesticide research is very important to the honey industry and, therefore, directs the ARS to continue operation of the Laramie bee lab at the University of Wyoming. The Committee further directs ARS to maintain the bee research laboratory at Madison, Wis., at no less than the 1984 operating level.

Acid precipitation.—For acid precipitation research, the Committee concurs with the House in providing an increase of $100,000 over the fiscal year 1984 level of $284,000. The Committee expects the interagency task force on acid precipitation consisting of USDA, EPA, and

NOAA to continue its efforts to identify the problems associated with this issue and to request sufficient funds to find ways to combat the problem. The Committee also expects the Department to submit with the fiscal year 1986 budget request a complete listing of the Federal Government's funding of acid precipitation research.

Other research items.—The Committee does not concur with the House increases of $124,000 for the Southcentral Agricultural Research Center; $65,000 for cherry dieback research; $150,000 for plant stress and water conservation research; and $200,000 for tillage/weeds research. For each of these items, the Committee recommends the 1984 levels which are the same as the budget estimates.

Special fund.—For the special fund the Committee recommends $2,000,000, the same as the amount available for fiscal year 1984 and the same as the budget request. These funds are used to strengthen work at Federal research installations in the field by employing junior scientific help under contracts and cooperative agreements.

Federal administration.—The Committee notes that the budget assumes $47,473,000 for the Federal administration of the Agricultural Research Service, a decrease of 15 percent below the administrative costs in fiscal year 1982. The Committee commends ARS for its efforts to achieve management savings and redirect those savings into research programs. ARS should continue to review its administrative structure for possible cost savings. The Committee will expect that in fiscal year 1985 the administrative costs will not exceed those proposed in the budget. Should ARS determine that this will not be possible, the Committee will expect a complete explanation and justification for increased spending on administrative activities. ARS should make its administrative cost estimates a part of the budget justification materials provided the Appropriations Committee for fiscal year 1986.

The Committee notes that ARS testified that there are no plans for any laboratory closings or major reductions of work level at any ARS facility in fiscal year 1985. The Committee will expect to be kept informed of any deviation from this.

BUILDINGS AND FACILITIES

1984 appropriation	$27,725,000
1985 budget estimate	
House allowance	
Committee recommendation	21,650,000

The buildings and facilities account is established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or used by, the Agricultural Research Service. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $21,650,000 for this account. This is $21,650,000 more than the budget estimate and the House allowance, and $6,075,000 less than the amount provided in 1984. The Committee also included bill language to allow this account to remain available until expended.

The Committee recommends an appropriation of $9,100,000 for the construction of the Metabolism and Radiation Research Laboratory at North Dakota State University. The activities of this center will emphasize research on sunflowers and sugar beets, with particular attention to plant genetics, disease control, insect control, and the basic chemistry of these two crops.

The Committee further recommends $11,100,000 for construction of a National Soil Tilth Center in Ames, Iowa. This center would serve as the focal point for the conduct of research designed to insure this country's permanent capability to produce food, feed, and fiber without depleting our national resource base.

Resources currently allocated to aquacultural research in the Southeast region of the United States are not adequate to meet existing needs of commercial aquaculture. The rapid growth of aquaculture during the past 15 years and the potential for further growth based on the culture of alternative species of fish and crustaceans emphasize the need for a commitment of resources to a research program structured to accommodate both present and future technology requirements. The Committee, therefore, has recommended $700,000 for the planning costs associated with the construction of an applied Warmwater Aquaculture Research Center at Mississippi State University.

In addition, the Committee recommends $300,000 in planning funds for the construction of a germplasm collection facility in Aberdeen, Idaho. The Committee has reviewed the need for a new facility for the small grain germplasm collection and has concluded that the collection should be located in an area that minimizes costs and is located in a grow-out area. Aberdeen is an ideal site for such a facility.

The Committee recommendation provides $450,000 for construction of a permanent administration and laboratory building at the South Central Small Farms Research Center at Booneville, Ark. This will provide the total amount necessary for construction of the facility. Since its creation in 1979, the research center has been operating out of a converted quonset hut with additional storage located in a small renovated block dairy barn. This new facility will provide adequate room for existing personnel and for additional scientists as called for by the feasibility plans for the center.

The Committee is very interested in a proposal to establish a Regional Institute for Food Animal Production, Research, and Service within the School of Veterinary Medicine at Tuskegee Institute. The major focus of this institute would be on the applied aspects of research, instruction, and management which show the greatest promise for increasing the number and quality of food-producing animals for

human consumption. The Committee, therefore, concurs with the House in asking the Department, in collaboration with the Food and Drug Administration, to review the Tuskegee proposal and report to the appropriate committees of Congress by January 1, 1985.

The Committee is also aware of a December 1983 report by the Board on Agriculture of the National Academy of Sciences which identified widespread weaknesses in current animal disease research programs, capabilities, and diagnostic facilities. Among other suggestions, the Board's report strongly recommends that USDA begin an immediate program to develop new high-containment laboratory facilities on the mainland for the purpose of researching and diagnosing foreign animal diseases and ectoparasites. The Committee is also aware of a proposal prepared by the University of Georgia College of Veterinary Medicine for the establishment of a regional biosecurity or containment laboratory facility to conduct research and diagnostic work on highly infectious animal diseases and hazardous chemicals. The Committee expects the Department to thoroughly study the feasibility and necessity for establishing one or more such regional facilities and to report its findings to the appropriate committees of Congress in time for hearings on the fiscal year 1986 budget. In preparing such a report, the Committee expects the Department to consult with the academy, the National Institutes of Health, the Center for Disease Control, and other recognized animal disease research and diagnosis experts, including the University of Georgia and other universities with similar expertise in the field.

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

1984 appropriation	$5,000,000
1985 budget estimate	5,000,000
House allowance	[1] 4,950,000
Committee recommendation	5,000,000

[1] Reflects a 1-percent reduction of $50,000, as required by section 629.

Foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States are used for expenses of carrying out programs of the Department of Agriculture under the Agricultural Trade Development and Assistance Act of 1954, as amended. Research that is important to American agriculture and supplements our domestic programs is carried on through agreements negotiated with institutions and organizations in foreign countries. For example, research is conducted on exotic pests and diseases of plants and animals which cannot be done in the United States. Specialized projects provide for the translation and dissemination of foreign language scientific publications.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $5,000,000 for scientific activities overseas. This is the same as the budget estimate and the amount provided in 1984, and $50,000 more than the House allowance.

The Committee has restored the 1-percent reduction required by section 629.

COOPERATIVE STATE RESEARCH SERVICE

1984 appropriation	$247,655,000
1985 budget estimate	266,785,000
House allowance	[1] 251,896,590
Committee recommendation	291,395,000

[1] Reflects a 1-percent reduction of $2,544,410, as required by section 629.

The Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordination between the States and the U.S. Department of Agriculture which encourages and assists in the establishment and maintenance of cooperation within and among the States and between the States and their Federal research partners. The primary function is the administration of grants and payments to States to supplement State and local funding for agricultural research carried on by the State agricultural experiment stations of the 50 States, Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, and Micronesia; by approved schools of forestry; the 1890 land-grant institutions and Tuskegee Institute; colleges of veterinary medicine; and other eligible institutions.

COMMITTEE RECOMMENDATIONS

The following table summarizes Committee recommendations for the Cooperative State Research Service.

COOPERATIVE STATE RESEARCH SERVICE

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
Payments under Hatch Act	152,281	155,326	156,484	156,484
Cooperative forestry research (McIntire-Stennis)	12,702	12,452	13,053	13,053
Payments to 1890 colleges and Tuskegee	22,844	23,300	23,474	23,474
Special research grants (Public Law 89-106):				
STEEP-Soil Erosion in N.W	622		622	622
Food and agriculture policies	156		156	156
Soybeans	518			518
Pest management	3,091		3,091	3,091
Rural development centers	311		311	311
Soybean cyst nematode (Missouri)	300		300	300
Bean and beet (Michigan)	97		97	97
Animal health	7,156	7,156		7,156
Minor use animal drugs	240	240	240	240
Aquaculture, (Stoneville, Miss)	270		420	420
Dairy and beef photoperiod (Michigan)	35		35	35
Pesticide clearance	1,440	1,440	1,440	1,440
Pesticide impact assessment	2,069	2,069	2,069	2,069

See footnote at end of table.

COOPERATIVE STATE RESEARCH SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
Special research grants (Public Law 89-106)—Continued				
Dairy goat research (Texas)	100	.....	100	100
Aquaculture (general)	518	.....	.....	518
Germplasm resources	902	902	1,000	1,000
Blueberry shoestring virus (Michigan)	96	.....	96	96
Peach tree short life (South Carolina)	192	.....	192	192
TCK Smut (wheat)	361	.....	361	361
Acid precipitation	695	695	.....	695
Sugarland use research (Hawaii)	150	.....	150	150
Mosquito research	480	.....	480	480
Integrated production systems (Oklahoma)	200	.....	250	200
Dried bean (North Dakota)	25	.....	25	50
Sunflower insects (North Dakota)	150	.....	.....	150
Tropical and subtropical	2,980	2,980	3,250	3,250
Potato research (eastern/western/midwestern)	400	.....	600	600
Asparagus yield decline (Michigan)	100	.....	100	100
Biocontrol of grasshoppers	50	.....	50	50
Wool research (Texas)	150	.....	150	.....
Ag Policy Institute (Missouri)	450	.....	450	450
Biomass from dairy processing waste (Missouri)	.....	.....	300	300
Stone fruit decline (Michigan)	.....	.....	300	.....
EDB replacement (Hawaii)	.....	.....	300	300
Forestry Centers of Excellence	.....	.....	.....	3,000
Integrated reproduction management (Nebraska)	.....	.....	100	.....
Cranberry/blueberry disease and breeding (New Jersey)	.....	.....	100	.....
Marketing and processing research (Oklahoma)	.....	.....	100	.....
Alternative cropping systems in the Southeast	.....	.....	.....	660
Maple research (Vermont)	.....	.....	.....	250
Other	930	.....	.....	.....
Subtotal, special research grants	(25,234)	(15,482)	(17,235)	(29,407)
1890 research facilities	10,000	10,000	10,000	10,000
Competitive research grants:				
Plant science	15,000	15,000	7,500	15,000
Soybean research	.....	.....	(518)	.....
Acid precipitation	.....	.....	(695)	.....
Alcohol fuels	.....	.....	(540)	.....
Animal science	.....	4,500	7,500	4,500
Animal health	.....	.....	(7,000)	.....
Brucellosis	.....	.....	(500)	.....
Aquatic science	.....	.....	518	.....
Aquaculture	.....	.....	(518)	.....
Pest science	.....	.....	5,000	.....
Gypsy moths	.....	.....	(1,000)	.....
Boll weevil/boll worm	.....	.....	(1,000)	.....
Pine bark beetle	.....	.....	(1,000)	.....

See footnote at end of table.

COOPERATIVE STATE RESEARCH SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
Competitive research grants—Continued				
Human nutrition	2,000	2,000	2,000	2,000
Biotechnology	.....	28,500	10,000	28,500
Sugarcane in Hawaii	.....	.....	(250)	.....
Subtotal, competitive research grants	(17,000)	(50,000)	(32,518)	(50,000)
Animal health and disease (sec. 1433)	5,760	.....	.....	5,760
Alcohol fuels (sec. 1419)	540	.....	.....	540
Native Latex Act (Public Law 95-592—Guayule)	702	.....	702	702
Rangeland research grants (sec. 1480)	.....	.....	.....	1,000
Federal administration	592	225	975	975
Total, Cooperative State Research Service	247,655	266,785	[1] 254,441	291,395

[1] Does not reflect a 1-percent reduction of $2,544,410, as required by section 629.

Individual items are discussed below:

Payments for cooperative research under the Hatch Act.—The Committee recommends $156,484,000. This is $1,158,000 more than the amount requested in the budget, $4,203,000 more than was appropriated in fiscal year 1984, and the same as the House allowance.

Cooperative forestry research.—The Committee recommends $13,053,000. This is $601,000 more than the budget request, the same amount as provided by the House, and $351,000 more than provided in 1984.

Payments to 1890 Colleges and Tuskegee.—The Committee recommends $23,474,000. This is $174,000 more than the budget request, $630,000 more than the amount provided in 1984, and the same amount provided by the House.

Special research grants under Public Law 89-106.—The Committee recommends a total of $29,407,000. Specifics of individual grant allowances are included in the accompanying table.

Competitive research grants.—The Committee recommends an appropriation of $50,000,000. This is $17,482,000 more than the House allowance, the same as the budget estimate, and $33,000,000 more than was appropriated last year. The Committee continues its commitment to this method of fostering and promoting increased levels of basic agricultural research in our Nation.

BIOTECHNOLOGY

Of the $50,000,000 recommended for competitive research grants, the Committee recommends an appropriation of $28,500,000 for a new initiative in biotechnology research which was proposed by the administration. The House allowance for biotechnology research was $10,000,000. This initiative is being conducted under the competitive grants pro-

gram to allow eligibility for the full range of potential scientific capability, including Federal agencies and private organizations.

The Committee believes that the biotechnology program should be open to all areas of agricultural science, including plants, animals, and forestry. As stated in the introduction to this report, the United States has been and must continue to be on the cutting edge in agricultural research. The biotechnology initiative will advance our competitive advantage in agricultural research.

It is essential that USDA exercise a leadership role in agricultural biotechnology. USDA can focus on its primary mission—agriculture—and relate the efforts directly to agricultural problems in commercially important species. Biotechnology researchers will often rely on other agricultural scientists to determine significant needs that can be addressed with the new technologies. The necessary coordination of these efforts, along with the Extension Service's dissemination of the new information, demonstrates the necessity of USDA leadership in the guidance and coordination of this multidisciplinary effort to insure that biotechnology products relate to significant agricultural needs and will be used.

Current evidence suggests that the time from basic discovery to practical application using biotechnology is often only 1 to 3 years. The primary constraint which currently exists is the lack of fundamental knowledge necessary to develop the specific biotechnologies. This new initiative is a major step toward obtaining this necessary fundamental knowledge needed for new biotechnologies of special importance to agriculture.

Animal health and disease research grants (section 1433).—The Committee recommends $5,760,000 for section 1433 animal health and disease research grants. This is $5,760,000 more than the amount in the budget request and in the House allowance, and is the same as the amount provided in 1984.

Soybean cyst nematode (Missouri).—The Committee recommends an appropriation of $300,000 for soybean cyst nematode research in Missouri. This is the same as the amount provided in 1984 and in the House allowance and $300,000 more than the budget estimate.

Aquaculture, Stoneville, Miss.—For aquaculture research at Stoneville, Miss., the Committee recommends $420,000. This is the same amount provided by the House, $420,000 more than the budget request, and $150,000 more than the amount provided in 1984.

Peach tree short life research.—The Committee recommends $192,000 for peach tree short life research to continue the multiyear program initiated in the fiscal year 1982 Appropriations Act. This is $192,000 more than the budget request and is the same amount as provided in 1984 and in the House allowance.

TCK smut (wheat).—This disease is previously discussed under the same heading in the Agricultural Research Service (ARS) section of this report. The Committee recommends $361,000 and will expect a coordinated and integrated research program to continue between the State Agricultural Experiment Stations in the Northwest and ARS.

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Sugarland use research (Hawaii).—The Committee recommends concurrence with the House allowance of $150,000 for sugarland use research in Hawaii. This is the same as the amount provided in 1984, $150,000 more than in the budget request, and the same amount provided in the House bill.

Dried bean (North Dakota).—The Committee recommends an appropriation of $50,000 for dried bean research in North Dakota. This is $25,000 more than the amount provided in 1984 and in the House allowance and $50,000 more than the budget request.

Sunflower insects (North Dakota).—The Committee recommends an appropriation of $150,000 for sunflower midge research. This is the same as the amount provided in 1984 and $150,000 more than the House and the budget request.

Tropical and subtropical.—For tropical and subtropical research, the Committee recommends an appropriation of $3,250,000. This is the same amount provided in the House bill, and $270,000 more than the budget request and the level provided in 1984. Through 1982, the appropriation for tropical-subtropical research was made under ARS. The Committee continues to concur with the transfer of these funds from ARS to CSRS and has no objection with this treatment of funds as long as the Caribbean Basin and Pacific Basin advisory groups remain the sources for solicitation, recommendation and distribution of section 406 funds.

Potato research.—For potato research, the Committee directs that $200,000 be allocated to the university breeding programs in the States of Pennsylvania, Maine, New York, and Maryland to assist in accelerating the Eastern Russet breeding program.

In addition, the Committee recognizes the need for the Pacific Northwest potato industry's potato development and improvement program and directs that $400,000 be allocated to the regular ongoing program in the tri-State region.

Rangeland research program.—The Committee recommends $1,000,000 for implementing a rangeland research program as authorized by the Agriculture and Food Act of 1981. The cooperative research rangeland program should be designed with the objective of improving the productivity of our Nation's public and private rangelands. The program shall also emphasize methods for improving rangeland management so as to directly benefit our Nation's livestock industry. Out of the moneys appropriated, the Secretary will make grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrated capacity in rangeland research.

Agricultural policy center.—The Committee has provided $450,000 to continue support for the agricultural policy research center colocated at the University of Missouri and Iowa State University. The primary objective of the center is to maintain a comprehensive econometric modeling system of the U.S. agricultural industry that will provide the Congress and the public with timely information regarding the economic

implications of alternative farm programs, including the Government costs of these alternatives and their prospects for improving farm income, both in the near and long term. The center depends heavily on interaction between three domestic modeling systems at the University of Missouri and the international modeling center at Iowa State University. This is the same level as provided in the House bill.

Biomass from dairy processing waste.—The Committee concurs in the recommendation of the House to provide $300,000 to determine the efficacy and safety of the use of biomass from dairy processing waste as a feed supplement for livestock and to study the qualities of such biomass for use as a fertilizer.

Germplasm resources.—The Committee notes that the budget request for operating funds at germplasm repositories has remained at $902,000 since fiscal year 1982. Since that time, however, two new facilities have been completed and are now operational, and another facility is currently in the planning stage. Obviously, funding needs have grown significantly over the past 3 years. The Committee has recommended an increase to $1,000,000 for this purpose, the same as the amount provided by the House, but recognizes that this level is also insufficient. The Committee, therefore, directs the Department to assess the needs of these facilities and to provide a realistic request for fiscal year 1986.

Integrated production systems.—The Committee recommends an appropriation of $200,000 for an integrated production systems program. This is $50,000 less than the House allowance, $200,000 more than the budget request, and the same as the amount provided in 1984.

Alternative cropping systems in the Southeast.—The Committee recommends $660,000 for research on alternative cropping systems in the Southeast. This research is to investigate the economic and biological feasibility of expanded production of vegetable crops either as a complement to or a substitute for currently produced crops. The project will be centered in South Carolina with work in Georgia and North Carolina on a subcontract basis.

Forestry Research Centers of Excellence.—For Forestry Research Centers of Excellence, the Committee has provided $3,000,000. These centers will focus their research on the utilization of wood, through developing technology required to improve the efficiency of wood harvesting and processing, develop new products, and develop new markets, both foreign and domestic. The three centers will be located at Mississippi State University, Oregon State University, and Purdue University, which are located in the three major forest resource regions: southern pine, western conifers, and eastern hardwoods.

Research facilities at 1890 Colleges and Tuskegee Institute.—For construction of research facilities of the 1890 land-grant colleges and Tuskegee Institute, the Committee recommends $10,000,000, to remain available until expended. This is the same amount as was provided in fiscal year 1984; the same amount provided in the budget request; and the same amount that was in the House bill.

Maple research.—The Committee recommends an appropriation of $250,000 for maple research at the University of Vermont. Recent studies indicate maple tree reproduction is down by 85 percent, and this decline poses a real threat to the continued production of maple sugar products and the rock maple tree for timber purposes.

Other research items.—The Committee does not concur with the House allowance of $100,000 for cranberry/blueberry disease and breeding, of $300,000 for stone fruit decline, $150,000 for wool research, $100,000 for marketing and processing research, or $100,000 for an integrated reproduction management program.

Further, the Committee does not concur with the House action which would transfer soybean research, animal health research, aquaculture research, and acid precipitation research from special grants to the competitive grants program, nor does it concur with the transfer of alcohol fuels research to the competitive grants program. The House action would (1) earmark brucellosis research under animal science competitive grants; (2) create a new category of competitive grants for pest science research, of which gypsy moth research, boll weevil/boll worm research, and pine bark beetle research each would receive $1,000,000; and (3) earmark sugarcane research in the biotechnology research account. The Committee does not recommend concurrence with any of these proposals.

Federal administration.—The Committee concurs with the House allowance of $975,000 for Federal administration. This is $384,000 more than the amount provided in 1984 and $750,000 more than the budget request.

The Committee will expect CSRS to include summaries of research undertaken under each special grant in the explanatory notes provided the Committee with the fiscal year 1986 budget.

Extension Service

	Appropriation	Transfer from food stamp program	Total
1984 appropriation	$334,340,000		($334,340,000)
1985 budget estimate	299,377,000		(299,377,000)
House allowance	[1] 311,530,230	($25,277,670)	(336,807,900)
Committee recommendation	343,744,000		(343,744,000)

[1] Reflects a 1-percent reduction of $3,146,770, as required by section 629.

The Extension Service is the educational arm of the U.S. Department of Agriculture. Through its partnership with land grant colleges and universities it uses a nationwide educational delivery system to extend knowledge into virtually every county in the United States and its territories. This education is off campus and informal, and is recognized internationally as the most successful education system of this type ever developed.

The extension partnership includes both the land grant universities that have been established in every State as a result of the Morrill Act

of 1862 as well as the primarily black land grant institutions that were established in 16 States by the Second Morrill Act of 1890. Additional institutions that are members of the national extension system include colleges and universities having similar goals and missions in the District of Columbia, Puerto Rico, Guam, Virgin Islands, American Samoa, Micronesia, plus Tuskegee Institute in Alabama. All of these institutions operate active extension programs that form the national extension system.

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, community development, 4–H youth programs, and related subjects. This educational work takes research results, technological advancements, and program facts of the Department of Agriculture, the State agricultural colleges and experiment stations, and incorporates them into a program for action. The Extension Service interprets, disseminates, and encourages practical use of knowledge. It transmits information from researchers to individuals and institutions that are able to utilize and apply the research.

COMMITTEE RECOMMENDATIONS

The following table summarizes Committee action on the Extension Service:

EXTENSION SERVICE

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
Smith-Lever 3(b) and 3(c)	234,984	241,484	241,484	241,484
1890's	17,241	17,241	17,724	17,758
Smith-Lever 3(d):				
Pest management	7,531		7,531	7,531
Pesticide impact assessment	1,716		1,716	1,716
Farm safety	1,020		1,020	1,020
Urban gardening	3,000		3,500	3,000
Food and nutrition education (EFNEP)	60,354	34,821	[1] 34,821	60,354
Renewable Resources Extension Act	2,000			4,000
Payments to District of Columbia (other)	983	983	983	983
Federal administration	5,511	4,848	5,898	5,898
Total, Extension Service	334,340	299,377	[2] 314,677	343,744

[1] Excluded from this amount is a transfer of $25,553,000 from the food stamp program.
[2] Does not reflect a 1-percent reduction of $3,146,770, as required by section 629.

The Committee has provided a total of $241,484,000 for payments under the Smith-Lever Act, sections 3 (b) and (c). This is an increase of $6,500,000 over the level provided in fiscal year 1984 and is the same as the budget request and the amount provided by the House. Funding for the 1890 Colleges and Tuskegee Institute is included at $17,758,000, $34,000 more than the amount provided by the House and $517,000 more than the budget estimate and the 1984 appropriation.

To restore the section 3(d) special grants to last year's level, the Committee recommends $7,531,000 for pest management; $1,716,000 for pesticide impact assessment; $1,020,000 for farm safety; and $3,000,000 for urban gardening. The budget proposed termination of section 3(d) special grants.

For the expanded food and nutrition education training program (EFNEP), the Committee recommends an appropriation of $60,354,000, the same amount provided in 1984. This is $25,533,000 more than the budget request. The House also provided a level of $60,354,000; however, it recommended a transfer of $25,533,000 from the food stamp program. The Committee does not concur with this action. Providing a transfer from the food stamp program for this purpose only increases the requirement for supplemental funding for that program. It does nothing to decrease Federal expenditures. The EFNEP program plays a vital role in providing nutrition advice to low-income families. The Committee believes that more should be done under the EFNEP program to assure that all eligible individuals are made aware of the various Federal nutrition programs, eligibility requirements, and program benefits. The Committee will expect additional emphasis to be placed in this area in the fiscal year 1985 EFNEP program and will expect a report on what action is taken to implement this directive.

The Committee continues to be very concerned about the Nation's forestry resources, especially the need to develop these resources in order to meet increasing demands for wood products. Consequently, the Committee recommends an appropriation of $4,000,000 for activities carried out under the Renewable Resources Extension Act. This is $2,000,000 more than provided in 1984 and $4,000,000 more than the budget request and the House allowance.

For Federal administration, the Committee concurs with the action of the House in restoring $1,050,000 to the budget request to provide a total of $5,898,000. The Committee directs that $500,000 of this increase be utilized for the extension functions of the four Rural Development Centers. Also included in this total is the restoration of $350,000 to maintain the pilot technology transfer programs in Oklahoma and Mississippi. The budget had proposed to terminate funding for these pilot projects.

For the extension programs in the District of Columbia, the Committee recommends an appropriation of $983,000, the same as the amount available for fiscal year 1984 and the same as the budget request and the amount provided by the House.

The budget proposed consolidation of all Federal assistance to Micronesia to be administered by the Department of State. No action has been taken on this legislative proposal; therefore, the Committee has restored language which will allow Extension Service offices to continue to conduct educational programs in Micronesia.

FLORIDA AGRICULTURAL SERVICES AND TECHNOLOGY (FAST)

The Committee is impressed with the efforts of the Florida Agricultural Services and Technology (FAST) program. With the cooperation of the University of Florida, the nonprofit FAST program is developing a multifaceted, computer-aided program capable of providing enhanced weather services and a variety of agricultural-related data base information to interested end users. The Committee feels this program represents an innovative initiative that may provide rapid, widespread dissemination of such agricultural information as market quotes, pesticide labels, and university teaching and extension program contents to the agricultural community on a fee basis. The Committee urges the Department of Agriculture to cooperate with FAST in establishing a pilot project to demonstrate the feasibility of providing such important agricultural information in this manner.

NATIONAL AGRICULTURAL LIBRARY

1984 appropriation	[1] $9,873,000
1985 budget estimate	11,661,000
House allowance	[2] 11,544,390
Committee recommendation	11,400,000

[1] Excludes pay supplemental of $59,000.
[2] Reflects a 1-percent reduction of $116,610, as required by section 629.

The National Agricultural Library, in cooperation with the Library of Congress and the National Library of Medicine, provides coverage and servicing of worldwide publications in the agricultural, chemical, and biological sciences. It serves all of the Department programs in the Washington metropolitan area, as well as the field installations throughout the country and has the added responsibility of service to the land-grant universities, and the world agricultural science community. Traditionally, the library has concentrated its services to the agricultural scientist and researcher. However, it is currently in the process of expanding its role to serve a wider audience by using modern information dissemination technology. The wider audience includes Federal, State, and local administrators, as well as the farmer, the small businessman, public groups at all levels, and the general public.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Library, the Committee recommends an appropriation of $11,400,000. This is $1,527,000 more than was provided for fiscal year 1984, $144,390 less than the amount provided in the House bill, and $261,000 less than the budget estimate.

The increase requested in the budget was intended to be used to improve the programs of the National Agricultural Library, increase the automation and technology involved in the library's telecommunications activities and to improve the library's collection of material. Although the Committee strongly supports the programs of the library, in light of current spending constraints, the Committee did not approve the full requested increase.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

1984 appropriation	$263,238,000
1985 budget estimate	222,138,000
House allowance	[1] 274,270,590
Committee recommendation	265,581,000

[1] Reflects a 1-percent reduction of $2,770,410, as required by section 629.

The Animal and Plant Health Inspection Service conducts programs to protect the animal and plant resources of the Nation from destructive pests and diseases. Two major areas of activity are discussed below.

1. Animal and plant disease and pest control.—Survey, diagnostic, and quarantine activities are carried out to control, eradicate, or prevent the introduction of animal and plant diseases and pests. Control and eradication programs are conducted to combat existing diseases and pests.

2. Other regulatory activities.—The Agency performs other regulatory activities including the development of standards for and the licensing and testing of veterinary biologicals to insure their safety and effectiveness, the inspection of certain establishments which handle animals intended for research, exhibition, and pet purposes, as defined by law, to insure their humane treatment, and the regulation of the import and export of endangered plant species.

COMMITTEE RECOMMENDATIONS

The following table summarizes the Committee's recommendations for the Animal and Plant Health Inspection Service:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
PLANT DISEASE AND PEST CONTROL				
Plant protection:				
Bio-control	3,250	3,310	3,310	3,310
Boll weevil	1,957	1,788	1,957	1,957
Golden nematode	1,007	919	1,007	1,007
Grasshopper and Mormon cricket	1,327	954	1,327	1,327
Gypsy moth	5,175	3,374	5,175	5,175
Imported fire ant	5,809	617	5,809	5,809
International programs	1,672	2,022	2,022	2,022
Mediterranean fruit fly	6,000	6,700	6,700	6,700
Mexican fruit fly	1,496	1,527	1,527	1,527
Miscellaneous plant diseases and pests	483	1,143	1,143	1,143
Noxious weeds	789	112	789	789
Pest detection	3,919	3,978	3,978	3,978
Pink bollworm	2,393	1,532	2,393	2,393
Witchweed	4,723	1,128	4,723	4,723
Total, plant protection	40,000	29,104	41,860	41,860

See footnotes at end of table.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1984 appropriation	Fiscal year 1985 budget	House bill	Committee recommendation
PLANT DISEASE AND PEST CONTROL—Continued				
Agricultural quarantine inspection	48,944	50,435	52,235	52,235
Total, plant disease and pest control	88,944	79,539	94,095	94,095
ANIMAL DISEASE AND PEST CONTROL				
Animal health:				
Animal welfare	4,865	3,655	4,865	4,865
Brucellosis eradication [1]	63,540	37,663	75,000	63,540
Cattle ticks	6,040	6,243	6,243	6,243
Emergency programs	2,013	2,058	2,058	2,058
Foot-and-mouth disease (Darien Gap)	2,218	2,239	2,239	2,239
Horse protection	153	159	159	159
Import-export inspection	5,411	5,667	7,467	7,467
International programs	1,463	1,997	1,997	1,997
Interstate inspection of livestock [2]	12,100	12,549	12,549	12,549
National poultry improvement plan	210	219	219	219
Poultry diseases	620	636	636	636
Pseudorabies	2,248	2,322	2,322	2,322
Screwworm	49,500	37,233	37,233	37,233
Swine health protection	3,179	3,259	3,259	3,259
Tuberculosis eradication	3,859	3,945	3,945	3,945
Veterinary diagnostics [3]	6,496	11,039	11,039	11,039
Miscellaneous animal diseases and pests	981	2,018	2,018	2,018
Total, animal health	164,896	132,901	173,248	161,788
Veterinary biologics	8,398	8,698	8,698	8,698
Total, animal disease and pest control	173,294	141,599	181,946	170,486
Contingencies:				
Plant disease and pest control	500	500	500	500
Animal disease and pest control	500	500	500	500
Total, Contingencies	1,000	1,000	1,000	1,000
Total, Salaries and expenses	263,238	222,138	[4] 277,041	265,581
Buildings and facilities (repair and improvement)	2,386	2,386	[4] 2,386	2,361
Total, APHIS	265,624	224,524	[4] 279,427	267,942

[1] $5,960,000 of the funds previously earmarked for brucellosis eradication are included under interstate inspection of livestock rather than this line.

[2] Includes funds previously appropriated for interstate inspection in various other accounts.

[3] Fiscal year 1984 appropriation excludes $4,320,000 for veterinary diagnostics activities transferred from the Agricultural Research Service.

[4] Does not reflect a 1-percent reduction as required by section 629.

For the salaries and expenses of the Animal and Plant Health Inspection Service for fiscal year 1985, the Committee recommends an appropriation of $265,581,000. This is $8,689,590 less than the House allowance, $43,443,000 more than the budget estimate, and $2,343,000 more than the appropriation for fiscal year 1984.

Boll weevil eradication.—The Committee recommends $1,957,000. This is $169,000 more than the budget request, and the same as the House allowance and the amount provided in 1984. This funding level provides for the cooperative High Plains control activities and the third-year costs of the boll weevil eradication program in North and South Carolina. Local interests in those States provide at least 70 percent of the cost of the program.

It is the Committee's understanding that efforts are continuing to further expand this eradication program and that producers in other States are attempting to obtain passage of a referendum which will allow States to cover at least 70 percent of the cost of the program. If and when additional States pass such a referendum, the Committee directs the Department to submit a budget request at the earliest opportunity for the necessary funds to cover the Federal portion.

Noxious weeds.—The Committee recommends $789,000 for noxious weeds. This is an increase of $677,000 over the budget request, but the same as the amount provided by the House and in 1984.

The Committee directs APHIS to pursue the 4,000-acre trial eradication project for common crupina in the State of Idaho. This project has been a success thus far and must be continued through the follow-up research stage to insure complete eradication of this harmful weed.

The Committee supports the research efforts of the University of Florida in conjunction with the Animal and Plant Health Inspection Service on the management of hydrilla and other aquatic weeds. The Committee believes that the biological control of these noxious weeds with herbivorous fish is promising and should be continued. Therefore, the Committee will expect APHIS to continue its support of the University of Florida in this research and to increase its funding assistance to no less than $60,000 in fiscal year 1985.

Pink bollworm.—The Committee recommends $2,393,000, the same as the 1984 level and the House allowance, and $861,000 more than the budget request. The Committee believes APHIS should continue its regulatory efforts.

Animal welfare.—The Committee recommends maintaining the fiscal year 1984 funding level of $4,865,000 for the animal welfare program. The Committee remains concerned about the effectiveness of APHIS enforcement of the Animal Welfare Act. It has been brought to the Committee's attention that for the past few years the full amount appropriated for animal welfare activities has not been allocated to the field staff on a quarterly basis. Substantial funds have been withheld and only released in the fourth quarter of the fiscal year. The Committee believes that this promotes an on-again, off-again attitude toward enforcement of the act amongst the field staff and concentrates enforcement activities in the last 3 months of the fiscal year. The Committee believes this to be an ineffective manner in which to carry out this program and, therefore, directs that the full amount provided for these activities be allocated and expended on a quarterly basis.

The Committee is aware that the General Accounting Office will soon issue a report on the implementation of the Animal Welfare Act. The Committee intends to carefully review this report and any recommendations it might contain regarding needed revisions in the administration of the act and the need for additional funding.

The Committee notes that the budget requests in recent years have not included sufficient funds to adequately carry out the inspection and enforcement activities required by the act. The Department has assumed that States, industry groups, and humane societies would take an additional responsibility for enforcing the act even though they have no authority to do so. The Committee will expect the fiscal year 1986 budget to include sufficient funding for APHIS to fully implement and administer the act.

Brucellosis eradication.—For brucellosis eradication, the Committee recommends a program level of $69,500,000, the same as the amount provided in fiscal year 1984, and the same as the program level in the budget request based on current law. Included in this level is $5,960,000 for interstate inspection of livestock, which now appears as a separate line item. The House-reported bill would appropriate $75,000,000 for brucellosis, plus the amount for interstate inspection.

The budget request proposed legislation to authorize a user fee system which would have provided an estimated $25,877,000 to assist in paying the cost of the program. This would reduce the need for appropriated funds by an equal amount. This legislation has not been enacted, and the Committee believes it would be inappropriate to reduce funding for the program in anticipation of legislative action. The Committee notes that there has been no support expressed by the industry for this proposal.

The Committee remains committed to the goal of eradicating brucellosis. However, the Committee does not believe funding should be increased until a more defined plan is in place for an eradication program. The Committee understands that a livestock industry task force is nearing completion of a 5-year plan for eradication. The Committee directs the Department to work with the industry in evaluating and finalizing the plan now under development. The final plan should require major progress toward nationwide eradication over the next 2 years so as to assure at least 22 States classified as free, at least 21 class A States; approximately 6 class B States and not more than 4 class C States with no change in the current classification system. Further, the plan should propose to achieve an infection rate of less than 0.25 percent within 5 years.

Under the funding level provided by the Committee, neither State agreements nor indemnity payments are to be reduced.

Interstate inspection of livestock.—The Committee directs that funding for brucellosis inspection included in this item shall be maintained at not less than the fiscal year 1984 level.

Golden nematode.—The Committee recommends $1,007,000 for golden nematode. This is the same amount provided in 1984, the same as the House allowance, and $88,000 more than the budget estimate.

Gypsy moth.—The Committee concurs with the House in appropriating $5,175,000 for gypsy moth. This is the same amount as was provided in 1984, and is $1,801,000 more than the budget request. The Committee is aware of the serious gypsy moth infestation and directs APHIS to continue research into improved methods of controlling the gypsy moth. The current control program is to be maintained as well.

Imported fire ant.—The Committee concurs with the House in appropriating $5,809,000 for imported fire ant. This is the same as was provided in 1984, and is $5,192,000 more than the budget request.

Witchweed.—The Committee concurs with the House in appropriating $4,723,000 for witchweed. This is the same as was provided in 1984, and is $3,595,000 more than the budget request.

Grasshopper and Mormon cricket.—The Committee concurs with the House in appropriating $1,327,000 for grasshopper and Mormon cricket. This is the same amount as was provided in 1984, and is $373,000 more than the budget estimate.

Screwworm.—For the joint Mexico-United States screwworm eradication program, the Committee recommends $37,233,000, the same as the budget request and the House-reported bill, and $12,267,000 below the fiscal year 1984 level.

The screwworm eradication program has been a very successful program. Since the Mexico-United States Joint Commission was created in 1973, the program has eradicated the screwworm to near the Isthmus of Tehuantepec in Mexico. Eradication should be completed to the isthmus by the end of calendar year 1984, and a permanent barrier zone will be established to prevent new outbreaks north of the isthmus. Sterile fly production will be reduced to levels sufficient to maintain the barrier. Therefore, the need for appropriated funds is reduced.

The House Appropriations Committee asked that a comprehensive study be conducted on the feasibility of moving the barrier farther southward. This Committee supports that request and will expect the Department to also review the feasibility of moving the barrier only as far as Guatemala's border with Honduras and El Salvador. This would eradicate the screwworm from Belize, Guatemala, and the remaining portion of Mexico south of the Isthmus of Tehuantepec. The Committee understands that this location would result in a barrier which could be more easily maintained, but would be north of the wet, tropical areas where the screwworm fly thrives year-round.

The Committee will expect the capability to rapidly increase production at the sterile fly production facility to be maintained. This is necessary to combat unexpected outbreaks north of the barrier zone.

The recent strength of the dollar relative to the Mexican peso has considerably increased the amount of work which may be accomplished with the funds appropriated to date. If conditions in Mexico should change and the need arises for additional funds, the Committee will expect APHIS to redirect the necessary funds from any contingency reserve that may exist or to submit a supplemental budget request.

Agricultural quarantine inspection and import-export of animals.—The budget request assumed legislative savings of $3,600,000. It is the Committee's belief that user fee legislation will not be enacted prior to October 1, 1984; therefore, the Committee has restored $1,800,000 for import-export inspection and $1,800,000 for agricultural quarantine inspection. This concurs with the action taken by the House.

Hawaii interline inspection.—The Committee understands that APHIS will assume direct responsibility for the operation of Hawaii's interline agricultural inspection program and that point-of-departure inspections will continue on all of the islands currently served by the program.

California-Florida Caribfly rearing facility.—The Committee is impressed by the joint efforts of the States of Florida and California to construct a sterile Caribbean fruit fly rearing facility. This initiative shows the determination of both States to rid themselves of this pest which threatens citrus production. This facility will be an important tool in the effort to delimit the spread of or eradicate the Caribbean fruit fly, and the Committee urges the Department of Agriculture to cooperate in every way possible to assist in this effort. The Committee also recognizes the future need for the agency to provide staff and support assistance to this facility after its construction.

Endangered Species Act enforcement.—The Committee is concerned that APHIS has delayed instituting an effective program to regulate imports and exports of rare plants as required by the Endangered Species Act. Although the Committee has received assurance that implementing regulations will be in place at the beginning of fiscal year 1985 to help rectify this problem, the Committee believes the agency remains reluctant to use the full range of its authority to enforce the law. In particular, the Committee notes APHIS testified that in the case of "known repeat offenders" they might simply seize illegal shipments rather than seek prosecution under the criminal provisions of the Endangered Species Act. It would appear that in the case of "known repeat offenders," seizures would be a relatively minor enforcement action which would do little to deter violations. Certainly, enforcement actions should be sufficient to at least deter those who would flaunt the law.

The Committee is concerned that the lack of an in-house capability to conduct investigations will significantly hamper the ability of APHIS to carry out an enforcement effort. The Committee will expect this situation to be rectified and will expect a report in early 1985 on efforts to enforce the Endangered Species Act.

Mediterranean fruit fly.—The Committee notes the recent outbreak of Mediterranean fruit flies in Florida. As in the case of the screwworm eradication program (discussed elsewhere in this report), there has been considerable discussion as to whether the maintenance of a biological barrier farther south, perhaps in Panama, would prove more effective than the current one. The Committee believes APHIS should perform a comprehensive feasibility study of farther southward movement of the barrier. The report should also include a discussion of the current regulatory steps that are being taken to prevent reinfestation north of the current barrier.

The Committee is concerned about recent reports regarding difficulties in maintaining the pest-free status of certain isolated areas of Mexico and Guatemala. Should additional funding be necessary to maintain enhanced production levels of sterile flies in order to cope with outbreak populations, the Committee will expect the Department to submit a budget request as soon as a funding shortfall becomes apparent.

Contingencies.—The Committee recommends $500,000 for plant disease and pest control contingencies and $500,000 for animal disease and pest control contingencies, for a total of $1,000,000. This total is the same as the amount in the budget request, the House bill and that provided in 1984.

In fiscal year 1984, some of the contingency funds available to APHIS were used for eradication of the Mediterranean fruit fly. The Committee has provided a $700,000 increase in the Medfly program, and therefore, expects the contingency fund to be used for other sporadic outbreaks, such as grasshoppers, unless an extreme emergency arises. The contingency fund has been used in the past for grasshopper outbreaks, and the Committee believes that it was for such unanticipated outbreaks that the contingency fund was created. Funds for grasshopper control should be made available contingent on a State's acceptance of a cost-sharing formula whereby one-third of the costs is funded by APHIS and the remainder is funded by State and industry sources. Should contingency funds be exhausted, the Committee will expect the Secretary to utilize his emergency authority to make Commodity Credit Corporation funds available to APHIS for grasshopper control on a timely basis and will expect the Department to request supplemental appropriations if necessary.

The Committee understands that APHIS will assume direct responsibility for the operation of the rangeland pest management program, accepting all costs of such programs on Federal lands and assuming responsibility for the control programs on private lands using the normal one-third split among local, State, and Federal funding.

General provisions.—The Committee concurs with the general provision added by the House which addresses the issue of APHIS' personal service contracts with veterinarians. Recent legal interpretations of Department agreements with fee-basis veterinarians indicate that this type of an arrangement falls into a personal service contract category. These contracts can only be entered into when the Secretary declares a livestock emergency. Historically, APHIS policy has been to employ fee-basis veterinarians as needed in both emergency and nonemergency situations. This practice compensates for workload fluctuations, holds down Federal employment, and minimizes personnel costs.

BUILDINGS AND FACILITIES

1984 appropriation	$2,386,000
1985 budget estimate	2,386,000
House allowance	[1] 2,362,140
Committee recommendation	2,361,000

[1] Reflects a 1-percent reduction of $23,860, as required by section 629.

COMMITTEE RECOMMENDATIONS

For buildings and facilities of the Animal and Plant Health Inspection Service for 1985, the Committee recommends an appropriation of $2,361,000. This is $25,000 less than the budget estimate and the amount provided in 1984, and $1,140 less than the House allowance. The Committee has concurred with the 1-percent reduction required by section 629. This funding will provide for the repair and improvement of existing facilities and for the construction of small buildings. The recommended funding level includes not to exceed $1,400,000 for minor, nonrecurring construction.

The Committee recommends that this entire account remain available until expended since construction projects, even relatively minor alterations, often require planning and preconstruction preparation which exceed a year's duration. The Committee notes that approximately $5,400,000 of unobligated balance has been carried in this account. Should the fiscal year 1986 budget contain a request for buildings funds, the Committee will expect the budget notes to provide additional details on exactly where they will be used.

FOOD SAFETY AND INSPECTION SERVICE

1984 appropriation	[1] $333,696,000
1985 budget estimate	356,067,000
House allowance	[2] 349,706,610
Committee recommendation	355,248,000

[1] Excludes pay supplemental of $4,362,000.
[2] Reflects a 1-percent reduction of $3,532,390, as required by section 629.

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000–1 issued pursuant to Reorganization Plan No. 2 of 1953.

The major objective of the Food Safety and Inspection Service is to insure that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The meat and poultry inspection program of the Food Safety and Inspection Service provides in-plant inspection of all domestic plants preparing meat or poultry products for sale or distribution in commerce; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs equal to Federal inspection.

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service for fiscal year 1985, the Committee recommends an appropriation of $355,248,000. This is $21,552,000 more than was provided in 1984, $819,000 below the budget estimate, and $5,541,390 more than the amount provided in the House bill.

The Committee has included the requested increases, excluding non-salary operating costs, for slaughter inspection, processing inspection, import-export inspection, and laboratory services. This will provide sufficient funding for 134 additional staff-years.

The Committee concurs with the House in providing just over 50 percent of the requested increase for grants to States. The budget request for a $1,691,000 increase included pay cost increases for State inspection personnel. The Committee expects that future requests for such pay costs will be requested in the same manner as the pay costs for other employees of the agency.

The budget request assumed approval of a legislative proposal for less-than-continuous inspection which would save an estimated $2,000,000. The Committee does not assume these legislative savings and, therefore, restores this amount. The House did not restore this amount. The Committee notes that no mention was made of the proposed $2,000,000 savings in the budget explanatory notes and expects future explanatory notes to include current law estimates for the Service when legislative savings are assumed in the budget.

ECONOMIC RESEARCH SERVICE

1984 appropriation	[1] $43,841,000
1985 budget estimate	[2] 47,480,000
House allowance	[2 3] 45,834,030
Committee recommendation	[2] 45,614,000

[1] Excludes pay supplemental of $488,000.
[2] Includes reappropriation of $545,000.
[3] Reflects a 1-percent reduction of $462,970, as required by section 629.

The Economic Research Service was established on September 30, 1981, by separating the functions previously performed by the Economics and Statistics Service into two new program agencies, the Economic Research Service and the Statistical Reporting Service. Management support services for the agency are carried out by the economics management staff. The agency's responsibility is authorized principally by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627).

The principal function of ERS is to serve the critical need for timely and reliable agricultural economic information (research, forecasts of major agricultural economic indicators, policy analysis, and data) that addresses the multitude of economic concerns and the decisionmaking needs of farmers, extension workers, private analysts, processors, marketers, input suppliers, and policy officials in the Federal Government, Congress, and State and local governments.

COMMITTEE RECOMMENDATIONS

For the Economic Research Service, the Committee recommends an appropriation of $45,614,000. This is $1,773,000 more than was appropriated for fiscal year 1984, $1,866,000 less than the budget estimate, and $220,030 less than the House allowance.

The Committee concurs with the House bill language which provides that $545,000 appropriated in fiscal year 1984 remain available throughout fiscal year 1985. These funds are to cover the pending relocation of the Economic Research Service to new quarters.

The Committee notes that the budget assumed a $1,183,000 increase for operating costs of the Service, including a 54-percent increase in travel costs over the fiscal year 1983 level. The Committee recommendation does not assume any increase for operating costs, but includes one-half of the requested increase for the analysis of macroeconomic impacts on the agricultural sector which in fiscal year 1984 was funded at $1,250,000.

STATISTICAL REPORTING SERVICE

1984 appropriation	[1] $53,903,000
1985 budget estimate	57,534,000
House allowance	[2] 55,726,110
Committee recommendation	56,430,000

[1] Excludes pay supplemental of $527,000.
[2] Reflects a 1-percent reduction of $562,890, as required by section 629.

The primary responsibilities of the Statistical Reporting Service are the development and dissemination of national and State agricultural statistics, statistical research, and coordination of the Department's statistical programs as authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627).

SRS programs are conducted in the following major areas:

Crop and livestock estimates.—This area includes estimates of production, supply, price, and other aspects of the agricultural economy; conduct of enumerative and objective measurement surveys; preparation and issuance of the official national and State estimates and reports of the Department relating to acreages, types and production of farm crops, number of livestock on farms, livestock products, stocks of agricultural commodities, value and utilization of farm products, prices received and paid by farmers, and other subjects as required.

Statistical research and service.—This area includes review, clearance, coordination, and improvement of statistics in the Department, and research on and development of improved statistical techniques used in gathering and evaluating statistical data, including use of satellite data.

Work performed for others.—Services are performed for other Federal and State agencies and private commodity organizations on a reimbursable or advance payment basis. These services consist primarily of conducting surveys and performing related statistical data collection activities. They also include technical consultation and support and technical assistance programs abroad under participating agency service agreements.

COMMITTEE RECOMMENDATIONS

For the Statistical Reporting Service, the Committee recommends an appropriation of $56,430,000. This is $2,527,000 more than the level provided in fiscal year 1984, $1,104,000 less than the budget estimate, and $703,890 more than the House allowance.

The Committee concurs in the House action which deleted part of the increase associated with increased operating expenses. Further, in addition to the three crop reports restored by the House (floriculture, pickling cucumbers, and asparagus acreage), the Committee has provided $25,000 for the cost of reinstating the marketing report, Peanut Stocks and Processing. These reports provide important data to the producers, handlers, and manufacturers of these four crops.

AGRICULTURAL COOPERATIVE SERVICE

1984 appropriation	$4,639,000
1985 budget estimate	3,565,000
House allowance	[1] 4,592,610
Committee recommendation	4,639,000

[1] Reflects a 1-percent reduction of $46,390, as required by section 629.

The Agricultural Cooperative Service (ACS) is assigned functions under both the Cooperative Marketing Act of 1926 and functions that relate to the economic and marketing aspects of farmer cooperatives under the Agricultural Marketing Act of 1946. Under the Cooperative Marketing Act, ACS is authorized to: (1) acquire, analyze and disseminate economic, statistical, and historical information regarding the progress, organization, and business methods of cooperative associations in the United States and foreign countries; (2) conduct studies of the economic, legal, financial, social, and other phases of cooperation, including analyses of the organization, operation, financial, and merchandising problems of cooperative associations; (3) make surveys and analyses of the accounts and business practices of representative cooperative associations; (4) confer and advise with committees or groups of producers who want to form a cooperative association and to make an economic analysis of the facts relevant to setting up such an association; (5) promote the knowledge of cooperative principles and practices and cooperate in promoting such knowledge to others; and (6) make special studies to acquire and disseminate such information.

Under the Agricultural Marketing Act, ACS is authorized to carry out responsibilities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings. In addition, ACS is authorized to work with institutions and international organizations on subjects relating to cooperatives.

ACS serves as the focal point of national activity involving agricultural cooperatives. The purpose of ACS is to help farmers help themselves by providing the assistance necessary to support and improve existing cooperatives and to help farmers organize new cooperatives.

The studies conducted by ACS, alone or in conjunction with other Federal or State institutions, are intended to provide farmers with information on economic, financial, organizational, legal, and social aspects of cooperative activity. In today's rapidly changing economic environment, ACS provides technical advice to assist farmer cooperatives in the development and operation of viable, profitable organizations serving the Nation's family farmers.

COMMITTEE RECOMMENDATIONS

For the Agricultural Cooperative Service for the fiscal year 1985, the Committee recommends an appropriation of $4,639,000. This is the same as the amount provided for fiscal year 1984, $1,074,000 more than the budget estimate, and $46,390 more than the House allowance. The Committee has restored the 1-percent reduction required by section 629 and also concurs with the bill language which earmarks $139,000 for the ACS office in Hilo, Hawaii.

The Committee will continue to expect that within the funds provided, the Agricultural Cooperative Service should give priority to efforts to assist and encourage agricultural cooperatives in their efforts to expand the international marketing of agricultural commodities.

World Agricultural Outlook Board

1984 appropriation	[1] $1,500,000
1985 budget estimate	1,677,000
House allowance	[2] 1,625,580
Committee recommendation	1,642,000

[1] Excludes proposed pay supplemental of $33,000.
[2] Reflects a 1-percent reduction of $16,420, as required by section 629.

The World Agricultural Outlook Board serves as the single focal point for the Nation's economic intelligence related to domestic and international food and agriculture with the responsibility for coordinating and reviewing for clearance all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department of Agriculture. The Board's primary objective is to improve the consistency, objectivity, and reliability of outlook and situation material being disseminated to the public.

The Board's functions include information dissemination; market surveillance; coordination of international and domestic agricultural developments; coordination of weather, climate and remote sensing research; and forecasting techniques.

COMMITTEE RECOMMENDATIONS

For the World Agricultural Outlook Board for fiscal year 1985, the Committee recommends an appropriation of $1,642,000. This is $142,000 more than was provided in 1984, $35,000 less than the budget estimate, and $16,420 more than provided in the House bill.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1984 appropriation	$30,729,000
1985 budget estimate	27,921,000
House allowance	[1] 29,169,360
Committee recommendation	29,464,000

[1] Reflects a 1-percent reduction of $294,640, as required by section 629.

The Agricultural Marketing Service, through its marketing and regulatory programs, promotes the orderly and efficient marketing and effective distribution of products from the Nation's farms. The need for AMS' services remains strong despite the fact that the users defray much of the costs of providing the services. Currently, about three-fourths of AMS funds are derived from user fees.

The individual activities that AMS is responsible for include a market news service; inspection, grading, and standardization services; market protection and promotion activities; and wholesale market development. The AMS also provides program-related services for Federal, State, and private agencies on a reimbursable basis.

COMMITTEE RECOMMENDATIONS

For the Agricultural Marketing Service, Marketing Services, for fiscal year 1985, the Committee recommends an appropriation of $29,464,000. This is $1,265,000 less than was provided in 1984, $1,543,000 more than the budget estimate, and $294,640 more than the House allowance. The Committee concurs with the House in restoring $1,543,000 for the wholesale market development program and in restoring bill language for the purpose of making this a line item appropriation.

The wholesale market development program is a small program that makes an important contribution to the modernization and improvement of antiquated, inefficient, and costly food marketing systems, especially in larger cities and more heavily populated regions of the country. The Government program develops an objective assessment of the feasibility of relocating wholesale firms from congested inner-city locations to modern distribution centers near major transportation arteries. Firms that are relocated acquire more easily accessible facilities that are adaptable to modern material handling methods, and the cities get the opportunity to redevelop former relatively blighted low rent-producing areas. Studies have determined that improved facilities could lower handling costs by as much as 25 percent over the costs in the old facilities.

In addition, this program has provided assistance to States seeking to develop market outlets for farm products, whether they be farmers' markets or wholesale sales to retail chain buyers. Recent farmers' market studies have been conducted in Asheville and Charlotte, N.C., Lynchburg, Va., Pee Dee, S.C., and Montgomery, Ala. Also, a procedure has been developed and successfully pilot tested to help groups of farmers identify potential market opportunities. Once identified, the growers developed the marketing system and products, resulting in successful direct commercial sales to retail buyers. Additional assistance is

needed in all these areas to help farmers benefit from enhanced market opportunities. The benefits from this small program far outweigh its cost.

The budget request assumed legislation which would authorize user fees for cotton and tobacco market news reports ($300,000), eliminate the requirement for continuous in-plant inspection of some egg processing operations, and reduce the requirement for shell egg surveillance visits ($1,506,000). The Committee has not restored these funds. The Department should submit a supplemental appropriation request in a timely manner to continue these activities if the legislative proposals are not enacted.

The Committee's recommendation includes $125,000 which the administration requested for an Agricultural Labor Affairs Office. The Committee will expect the Department to present a full accounting of the activities of this office during hearings on the fiscal year 1986 budget request.

Historically, the Department of Agriculture has allowed farmers to vote separately on individual amendments to marketing orders issued pursuant to section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c). It is the view of the Committee that this policy should be continued. The Committee has, therefore, included bill language which would prohibit the Department of Agriculture from expending funds to implement an amendment to a fruit, vegetable, nut (including filberts), or specialty crop marketing order unless that amendment is submitted to a separate vote.

LIMITATION ON ADMINISTRATIVE EXPENSES

1984 appropriation	($30,910,000)
1985 budget estimate	(30,910,000)
House allowance	[1](30,600,900)
Committee recommendation	(23,072,000)

[1] Reflects a 1-percent reduction of $309,100, as required by section 629.

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) initiated a system of user fees for the cost of grading and classing tobacco, cotton, naval stores, and for warehouse examination. These activities, authorized under the U.S. Cotton Standards Act, the Tobacco Inspection Act, the Naval Stores Act, the U.S. Warehouse Act, and other provisions of law are designed to facilitate commerce and to protect participants in the industry.

COMMITTEE RECOMMENDATIONS

For fiscal year 1985, the Committee recommends a limitation on obligations from user fees for these activities of $23,072,000. This is $7,838,000 less than last year's level and the budget request, and $7,528,900 less than the House allowance. The difference is attributed to the transfer of warehouse inspection activities from AMS to ASCS.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

Under section 32 of the Act of August 23, 1935, an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances up to $300,000,000 are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Nutrition Service have been provided in recent appropriation acts.

The section 32 program administered by the Agricultural Marketing Service consists of: commodity program payments for the removal of surplus agricultural products and subsequent donation of these products to domestic feeding programs; the administration of commodity contracting in the commodity purchase services activity; and the administration of marketing agreements and orders.

The Committee recommends a program that will provide for an unobligated balance of approximately $215,027,083 at the end of fiscal year 1985. The Committee recommends $5,995,000 for the marketing agreements and orders program. This is $59,950 more than the House allowance and $155,000 more than the amount provided in 1984. There was no budget request for this program.

PAYMENTS TO STATES AND POSSESSIONS

1984 appropriation	$1,000,000
1985 budget estimate	
House allowance	[1] 990,000
Committee recommendation	990,000

[1] Reflects a 1-percent reduction of $10,000, as required by section 629.

The Federal-State marketing improvement program is authorized by section 204(b) of the Agricultural Marketing Act of 1946, in which cooperative agreements are authorized between the U.S. Department of Agriculture and State Departments of Agriculture or similar State agencies. Beginning in fiscal year 1980, those projects funded were coordinated with the wholesale market development program. These agreements made possible joint Federal/State projects aimed at improving the efficiency of the agricultural marketing chain. The States contribute at least half of the cost of such projects. The work is performed either by State personnel or is contracted out to private industry.

Payments are made to State marketing agencies to assist in testing new marketing innovations to reduce the cost of marketing and seek means for providing more reliable market information, developing better quality standards and developing additional domestic and foreign market outlets. This program has covered such projects as: electronic marketing, telephone auction systems, maintaining and improving the quality of products, ways of reducing marketing costs, expanding outlets for products, collecting and disseminating special State and local market information and statistics, and improving the organizational structure of the marketing system. Current projects include the adaptation of the marketing of agricultural products to new technologies and increasing agricultural exports.

COMMITTEE RECOMMENDATIONS

For payments to States and possessions for fiscal year 1985, the Committee recommends $990,000. This is the same amount as provided in the House bill and $10,000 less than the amount provided in 1984. No appropriation was requested in the budget. The Committee has concurred with the 1-percent reduction required by section 629.

OFFICE OF TRANSPORTATION

1984 appropriation	[1] $2,523,000
1985 budget estimate	2,540,000
House allowance	[2] 2,514,600
Committee recommendation	2,514,600

[1] Excludes pay supplemental of $26,000.
[2] Reflects a 1-percent reduction of $25,400, as required by section 629.

The Office of Transportation is responsible for programs that will enhance and improve the transportation system in the agricultural and rural areas of the United States. The Office provides technical assistance to producers, producer groups and rural communities; provides technical information to carriers and shippers; conducts economic analysis and technical research and development in transportation; and coordinates transportation programs within USDA. The Department is currently involved in the implementation and administration of the International Carriage of Perishable Foodstuffs Act of 1982.

COMMITTEE RECOMMENDATIONS

For the Office of Transportation for fiscal year 1985, the Committee recommends an appropriation of $2,514,600. This is $8,400 less than was provided in 1984, the same as the House allowance, and $25,400 less than the budget estimate. The Committee has concurred with the 1-percent reduction required by section 629.

PACKERS AND STOCKYARDS ADMINISTRATION

1984 appropriation	$9,013,000
1985 budget estimate	9,035,000
House allowance	[1] 8,944,650
Committee recommendation	9,035,000

[1] Reflects a 1-percent reduction of $90,350, as required by section 629.

This agency administers the Packers and Stockyards Act of 1921, as amended, which is designed to assure free, open, and fair competition and fair practices in the marketing of livestock, live poultry, meat and dressed poultry. It protects consumers against unfair business practices in the marketing of meat and poultry. It protects members of the livestock marketing and meat industries from unfair, deceptive, discriminatory, and monopolistic practices of competitors.

Investigations are conducted to determine that the operations of packers and retail organizations do not involve the proscribed malpractices. Through the use of required annual and special reports, as well as audits, the financial stability of these organizations is determined in or-

der to guard against loss to persons and firms dealing with them. When violations or insolvencies are established, procedures to obtain cease and desist orders are initiated in order to prevent future violations.

Operations of stockyards, market agencies, and dealers are investigated and audited to assure that their business practices are fair and in free open competition, that they are financially sound, and that adequate services and facilities are furnished by stockyards and market agencies at reasonable and nondiscriminatory rates and charges.

COMMITTEE RECOMMENDATIONS

For the Packers and Stockyards Administration, the Committee recommends an appropriation of $9,035,000. This is $22,000 more than provided in 1984, the same as the budget estimate, and $90,350 more than was provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

FARM INCOME STABILIZATION

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

	Appropriation	Transfer from CCC	Total
1984 appropriation	$51,986,000	($358,193,000)	($410,179,000)
1985 budget estimate	50,857,000	(339,737,000)	(390,594,000)
House allowance	50,348,430	(339,027,480)	[1](389,375,910)
Committee recommendation	52,201,000	(345,992,000)	(398,193,000)

[1] Reflects a 1-percent reduction of $3,933,090, as required by section 629.

The account "Salaries and expenses, Agricultural Stabilization and Conservation Service" funds the administrative expenses of programs administered by, and the functions assigned to, ASCS. The funds consist of direct appropriations, transfers from the Commodity Credit Corporation (CCC), and miscellaneous advances from other sources.

Activities carried out under this program include program formulation and appraisal, operation of supply adjustment, conservation, and support programs, and inventory management and merchandising.

ASCS serves as the staff support activity for farm programs operated through the Commodity Credit Corporation.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Agricultural Stabilization and Conservation Service for fiscal year 1985, the Committee recommends $398,193,000. This is $11,986,000 less than was provided in 1984, $7,599,000 more than the budget estimate, and $8,817,090 more than was provided in the House bill. Of this total funding, $52,201,000 is provided in the form of a direct appropriation, and $345,992,000 is provided by transfer from the Commodity Credit Corporation. The increase over the budget request represents the additional funding required for the administration of the agricultural conservation program,

the forestry incentives program, and the water bank program, which the Committee has restored at the 1984 levels. In addition, the budget estimate assumed legislation which would limit community committee elections once every 3 years. Since this legislation has not been acted upon, the Committee has restored $5,900,000.

The Committee has also restored $355,000 for cotton warehouse examinations. The Committee believes that the imposition of user fees on cotton warehousemen to cover the entire costs of Federal warehouse examinations under the U.S. Warehouse Act would necessitate fees of such proportion that many warehousemen would elect to drop from the program. In addition, it feels that unlicensed warehousemen would not apply for licenses. Such actions would reduce protection to producers and tend to disrupt orderly marketing procedures. Producers should be considered the primary beneficiaries as the act protects their interest in stored products and promotes the orderly handling and marketing of such products. A large percentage of the cotton received by licensed warehousemen comes directly from the producer. To the extent that warehouses withdraw from licensing under this act, the acceptance of warehouse receipts as security for loans and for trading purposes would be diminished.

The Committee recognizes that no increase has been provided for this program since 1982 and that it may no longer be feasible to operate at a level of $355,000. The Department should submit a supplemental appropriation request in a timely manner should the actual costs for performing cotton warehouse examinations exceed this amount.

The Committee notes that the warehouse inspection and licensing activities of USDA have been transferred to ASCS from the Agricultural Marketing Service. In the past the Committee has provided specific direction regarding the need to maintain the frequency of warehouse inspections and the need to develop and implement an early warning formula to help detect warehouses that may be in danger of going bankrupt. The Committee will expect ASCS to continue the work in this area and to report to the Committee on the progress made with its budget justification material for fiscal year 1986.

The Committee recommends concurrence in the House action which would prevent ASCS from reducing its ceiling on full-time equivalent staff-years below 2,550.

NATIONWIDE AUTOMATION OF COUNTY OFFICES

For several years, ASCS has been considering automation of about 2,800 State and county offices that administer its commodity and land-use programs. ASCS officials believe computers will allow faster service and more accurate payments to farmers, reduce paperwork, give access to more management information, and improve county office productivity.

ASCS tested the idea by installing computers in seven county offices. In April 1983, ASCS began a cost-benefit analysis to establish economic feasibility. The analysis, completed in September 1983, showed esti-

mated benefits greater than estimated costs. However, it has come to the Committee's attention that this may be overly optimistic.

This program is estimated to cost between $67,000,000 and $84,000,000 for hardware procurement alone. According to the General Accounting Office, the estimates of the benefits associated with this cost were based on questionable evidence.

The Committee understands that the Department has agreed to implement the automation in three States which will serve as prototypes in order to determine if the procurement should proceed. The Committee directs the Department to delay any procurement action associated with nationwide automation until a credible cost-benefit analysis has been performed on the prototypes. The Committee further directs that the software to be used in the system be extensively tested and a cost-benefit analysis be performed before proceeding with implementation. The Committee expects to be informed concerning any significant developments involved with this project.

Dairy Indemnity Program

1984 appropriation	$1,800,000
1985 budget estimate	
House allowance	[1] 178,200
Committee recommendation	

[1] Reflects a 1-percent reduction of $1,800, as required by section 629.

Under this program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by pesticides or radioactive materials.

COMMITTEE RECOMMENDATIONS

For the dairy indemnity program for fiscal year 1985, the Committee recommends no appropriation in this bill and has recommended deletion of the bill language. This is $1,800,000 less than provided in 1984 and $178,200 less than the amount provided in the House bill. No appropriation was requested in the budget.

The Committee is not aware of any claims currently pending under the dairy indemnity program. The Committee wishes to emphasize that should legitimate claims be submitted to the Department, it will expect those claims to be processed and a supplemental request for the funds necessary to pay approved claims to be submitted in a timely manner. By its action, the Committee does not intend to limit the availability of the program to dairy farmers and manufacturers of dairy products. Should legitimate claims be filed, supplemental funding will be provided to pay them.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

1984 appropriation	[1] $200,000,000
1985 budget estimate	227,234,000
House allowance	[2] 200,211,660
Committee recommendation	200,000,000

[1] Excludes pay supplemental of $495,000.
[2] Reflects a 1-percent reduction of $2,022,340, as required by section 629.

The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501–1520), to carry out the provisions of the Federal Crop Insurance Act. The purpose of the Corporation is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance.

The Federal Crop Insurance Corporation provides a cost-sharing insurance program for agricultural producers to protect their production investment against essentially all unavoidable risks. The expanding crop insurance program constitutes a joint effort by the private insurance industry and the Government. The private insurance companies and agents are being utilized in the delivery of the program to the farmers.

The Federal crop insurance program comprises the following major activities: (1) underwriting, actuarial, and program development; (2) marketing and collections; and (3) contract servicing and claims.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The crop insurance program was extensively revised by the Federal Crop Insurance Act of 1980. The act altered the funding mechanism requiring that all administrative expenses be derived from appropriations. Previously, these expenses were provided by a combination of appropriations and transfers from the FCIC fund. The new act also changed the policy objectives for the program and the method by which the objectives would be achieved.

COMMITTEE RECOMMENDATIONS

For administrative and operating expenses of the Federal Crop Insurance Corporation for fiscal year 1985, the Committee recommends an appropriation of $200,000,000. This is the same amount provided in 1984, $27,234,000 less than the budget estimate, and $211,660 less than the amount provided in the House bill. The Committee concurs with the House in maintaining the $700 limitation on official reception and representation expenses. The funding level provided by the Committee is adequate to support insurance coverage on at least 55 million acres of cropland, 25.2 million acres more than was covered in fiscal year 1983.

For the past several years, FCIC significantly overestimated the number of acres which would be covered by crop insurance. The Committee's action is not intended to limit expansion of the crop insurance program. Should it become clear that the funding level provided is inadequate, the Committee will expect the Department to submit a request for supplemental funds rather than restrict crop insurance sales.

The Committee will continue to expect FCIC to provide monthly reports to the Committee on participation and cancellation rates, as well as any pertinent changes in marketing or reinsurance contracts and any significant changes in administrative procedures which may impact on the cost of the Federal Crop Insurance program.

At the Committee's request, the General Accounting Office reviewed the reports provided to the Committee covering the period from October 1982 to May 1984. GAO concluded that FCIC often changed its methodology for preparing the monthly reports and the type of data it reported. According to the GAO, "FCIC has (1) not reported accurately its 'actual' business but has instead reported a combination of 'actual' and 'estimated' business, (2) either not reported information for its reinsured companies' business or presented information not comparable to the information presented for its master marketer business, (3) based its anticipated program participation on 'best guess' estimates or on funds appropriated by the Congress, and (4) not reported marketing and administrative changes that affect program costs. As a result, the reports have been incomplete, have lacked continuity, and have generally overstated program participation."

The poor quality of the reports the Committee has received has significantly hampered their usefulness. The Committee is aware of no reason why the information presented for reinsured companies' business should not be comparable with the "actual" business data reported for master marketers. The Committee will expect this to be corrected in future reports and will expect FCIC to include with those reports the summary of business report prepared for the manager.

The Committee is concerned that FCIC does not have any systematic method or formula for determining its estimate of future business. The Committee will expect FCIC to proceed with the development of a model to realistically project program participation and cost, and to report to the Committee during hearings on the fiscal year 1986 budget on progress toward this end.

The Committee notes that FCIC is in the process of revising its contractual agreement with master marketers and reinsurance companies and intends to move to a flat rate on commissions for the industry. The Committee is concerned that this agreement was not assumed in the original budget submitted to the Congress. The flat rate approach will have the effect of increasing the commission paid to the industry for renewal contracts and decreasing the commission rate paid on new business. According to data provided with the budget, 70 percent of the anticipated premium for crop year 1985 will be from renewal business, an increase from crop year 1984 when 58 percent of the premium was

from renewed policies. Therefore, by moving to a flat rate, FCIC will increase the amount of commissions it must pay on the largest portion of its business without any justification or apparent increased costs incurred by the industry for renewal business. The Committee questions whether this approach will result in crop insurance being provided at the least cost to the taxpayers. If the anticipated level of business materializes, this policy may result in the cost of the program exceeding the budget request. The Committee will expect that any future changes in the contracts be submitted to the Department's Office of Budget and Program Analysis, so that the Committee can be assured that the funding required by those contracts is consistent with the budget request.

In addition, the Committee has followed with interest the progress of the Federal Crop Insurance Corporation's pilot program for tomatoes and peppers. It is aware of the strong support for this program in the tomato- and pepper-growing regions of Florida and of the desire to expand it beyond the four-county area in which it now operates. Accordingly, the Committee expects the Corporation to carefully review the program with the intention of expanding it to all tomato- and pepper-growing counties in Florida.

FCIC FUND

1984 appropriation	$110,000,000
1985 budget estimate	141,000,000
House allowance	[1] 124,740,000
Committee recommendation	110,000,000

[1] Reflects a 1-percent reduction of $1,260,000, as required by section 629.

The Federal Crop Insurance Act of 1980 authorizes the payment of a Federal subsidy of up to 30 percent of the adjusted insurance premium paid by agricultural producers participating in the program. Subsidies will be paid by the Corporation based upon 30 percent of each producer's premium (reduced, where applicable, for hail and fire exclusion or State agency subsidy) on any coverage under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised average yield, as adjusted. This Federal subsidy reduces the participating producers' cost of insuring against loss and encourages the broadest possible participation of agricultural producers in the program.

COMMITTEE RECOMMENDATIONS

For the FCIC fund, the Committee recommends an appropriation of $110,000,000 for fiscal year 1985. This is the same amount provided in 1984, $31,000,000 less than the budget estimate, and $14,740,000 less than the amount provided in the House bill.

Funding requirements for the FCIC fund are based primarily on participation in the program in fiscal year 1984 and the Federal subsidy required for producer premiums in that year. The budget estimate was based on an assumed $500,000,000 level of premiums in fiscal year 1984. Current data available to the Committee indicates that actual premiums for fiscal year 1984 will be significantly less than that assumed in the budget. The reduced level of funding provided by the Com-

mittee for the FCIC fund will not impact on the ability of FCIC to carry out an effective crop insurance program.

Commodity Credit Corporation

The principal operations conducted by the Commodity Credit Corporation are support programs for agricultural commodities, including the storage, handling, and disposition of commodities acquired under the programs; and set-aside or acreage reduction, payment-in-kind, deficiency, disaster, and/or diversion payment programs for feed grains, wheat, rice, and cotton; and special activities, such as those under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), which are financed by appropriations authorized by statutes providing for these activities. Under section 4(a) of the Food for Peace Act of 1966, as amended, CCC may finance short-term export credit sales on credit terms not to exceed 3 years under the export credit sales program. The Corporation is also authorized by section 4(b) of the Food for Peace Act of 1966, as amended, to finance intermediate-term export credit sales in excess of 3 years, but not more than 10 years. The Corporation is further authorized under its charter authority to enter into export guarantee financing arrangements with respect to exported commodities.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corporation are designated according to their positions in the Department of Agriculture.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Agricultural Stabilization and Conservation Service (ASCS) and the Agricultural Stabilization and Conservation (ASC) State and county committees. The Foreign Agricultural Service–General Sales Manager, other agencies and offices of the Department, and commercial agents are also used to carry out certain phases of the Corporation's activities.

The Corporation's capital stock of $100,000,000 is held by the United States. Under present law up to $25,000,000,000 may be borrowed from the U.S. Treasury to finance operations. The Corporation reserves a sufficient amount of the borrowing authority to purchase at any time all loans and other obligations held by financial institutions under the Corporation's programs.

CCC operations and expenses are unique in many ways. Its major activity of supporting commodity prices as required or authorized by law produces large losses to the Corporation which must be reimbursed by annual appropriations.

Support of farm prices is accomplished through loans, payments (both in cash and in-kind), and purchases from farmers or processors.

Under existing law, CCC is required to support the price of corn, cotton, wheat, rice, peanuts, tobacco, dairy products, honey, wool, mohair, barley, oats, rye, grain sorghum, sugar, soybeans, and seed cotton at levels provided for by law. CCC has to make an offer, open to all producers, to make loans upon or purchase any quantity of these commodities produced which meet eligibility requirements. Additionally, CCC supports the prices of other commodities at the discretion of the Secretary.

CCC has no control over the volume of business it must handle. The relationship of the market price for each commodity to the support price largely determines the volume of that commodity which will be placed under loan or acquired by the CCC. This, in turn, is determined by weather conditions, insect damage, use of fertilizers, and all other factors influencing production; and by already existing supplies, domestic and export demand, and other factors affecting the market. Dispositions of inventory are governed by the same set of economic factors. These circumstances can cause tremendous variations over relatively short periods in the volume of CCC support operations.

REIMBURSEMENT FOR NET REALIZED LOSSES

1984 appropriation	$9,673,636,000
1985 budget estimate	8,698,269,000
House allowance	[1] 8,415,000,000
Committee recommendation	8,698,269,000

[1] Reflects a 1-percent reduction of $85,000,000, as required by section 629.

COMMITTEE RECOMMENDATIONS

For restoration of Commodity Credit Corporation capital impairment, the Committee recommends $8,698,269,000. This is $975,367,000 less than was provided in 1984, the same as the budget estimate, and $283,269,000 more than the amount provided in the House bill. Since this account represents a reimbursement for net realized losses, any amounts not appropriated now would simply result in a requirement for an increased appropriation at a later date. Therefore, the Committee has restored the 1-percent reduction required by section 629 of the House bill.

The Committee notes that in the past the reimbursement for net realized losses for the Commodity Credit Corporation (CCC) represented a payment for losses that occurred 2 years prior to the fiscal year in which the appropriation was made. However, in recent years large increases in CCC entitlements and the resultant increase in outlays have accelerated the reimbursement of realized losses needed to restore CCC's capital impairment, thus permitting price support operations to continue. CCC net outlays have increased from $4,000,000,000 in fiscal year 1981 to $18,900,000,000 in fiscal year 1983.

The fiscal year 1985 budget request represents the estimated balance of what the unreimbursed losses will be at the end of fiscal year 1984. If the Committee were to return to the previous practice, the fiscal year 1985 appropriation for CCC would be zero. However, CCC would then

exhaust its borrowing authority early in fiscal year 1985 and would be unable to finance the operation of the farm programs. The Committee notes that the Department has indicated that due to the current estimates for farm program outlays over the next few years, they do not expect to be able to return to the previous practice of a 2-year lag in CCC reimbursements any time in the near future.

EXPORT CREDITS

The Committee notes that Public Law 98–332, signed July 2, 1984, provides for a program level of no less than $5,000,000,000 for the export credit guarantee (GSM–102) program in fiscal year 1985. This will benefit both the farm economy and the U.S. economy as a whole. Agricultural exports provide about one-fourth of U.S. farm income. Every dollar earned from exporting is more than doubled in business activity in the general economy. Increasing the level of export credit guarantees will encourage exports from the United States which are severely hindered by the variety of credit and subsidy programs offered by competing countries.

GENERAL SALES MANAGER

The Committee recommends that the General Sales Manager remain under the jurisdiction of the Foreign Agricultural Service. An explanation of the program and Committee recommendations is located under the FAS section of this report.

TITLE II—RURAL DEVELOPMENT AND ASSISTANCE PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

OFFICE OF RURAL DEVELOPMENT POLICY

1984 appropriation	$2,000,000
1985 budget estimate	2,423,000
House bill	[1] 2,414,610
Committee recommendation	2,017,000

[1] Reflects a 1-percent reduction of $24,390, as required by section 629.

The Office of Rural Development Policy (ORDP) was established by Secretary's memorandum No. 1020–3, which transferred the Department's rural development policy function from the Farmers Home Administration (FmHA) to the Director, Office of Rural Development Policy.

The primary responsibility of this Office is expressed in sections 603 and 607 of the Rural Development Act of 1972, as amended by the Rural Development Policy Act of 1980, which directs that the Secretary of Agriculture assume responsibility for leadership and coordination of a nationwide rural development program utilizing the resources of all Federal departments and agencies in coordination with State and local government rural development programs. The means specified in the amendment by which the Secretary will develop and implement this nationwide rural development program is the annual preparation and implementation of a national rural development strategy for: (a) identifying emerging rural issues and needs on an ongoing basis; (b) strengthening the State and local government role in rural development; (c) developing and implementing policy guidelines that can provide sound government program direction for service to rural America; and (d) encouraging the private sector to expand their role in rural development.

COMMITTEE RECOMMENDATIONS

For the Office of Rural Development Policy, the Committee recommends an appropriation of $2,017,000. This is $406,000 less than the budget request, $397,610 below the amount provided in the House bill, and $17,000 more than was available for ORDP in fiscal year 1984.

The budget proposed an increase of $50,000 for increased operating costs and an increase of $309,000 for expanding research on rural development issues and for disseminating information. The Committee continues its strong support for the rural development activities of the

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Department. The level provided by the Committee for this Office will be sufficient to maintain ORDP's current efforts in policy development.

The Committee does not concur in the House provision which adds $350,000 to restore the contract program in Oklahoma.

Farmers Home Administration

The Farmers Home Administration provides credit for those in rural America who are unable to get credit from other sources at reasonable rates and terms. The agency also administers several grant programs.

The agency operates principally under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921) and title V of the Housing Act of 1949 (42 U.S.C. 1471).

The Farmers Home Administration makes loans from funds borrowed from the U.S. Treasury and from sales of certificates of beneficial ownership to the Federal Financing Bank (FFB).

COMMITTEE RECOMMENDATIONS

The following table reflects the loan and grant program levels of programs administered by the agency in 1984, proposed in the budget for 1985, reflected in the House bill, and recommended by the Committee:

LOAN AND GRANT LEVELS

[In millions of dollars]

	1984 level	1985 budget	House bill	Committee recommendation
TYPE OF LOAN				
Rural housing insurance fund:				
Low-income housing loans (sec. 502)	2,300.0	1,600.0	2,300.0	2,300.0
Rural housing site development (sec. 524)	1.0	.....	1.0	1.0
Rural rental housing (sec. 515)	940.0	690.0	850.0	940.0
Very low-income housing repair (sec. 504)	24.0	17.0	[1] 16.83	17.0
Domestic farm labor (sec. 514)	20.0	13.0	20.0	20.0
Rural rental assistance payments	62.0	.....	[1] 114.84	116.0
Undistributed 1-percent reduction required by section 629	.....	.....	31.7	.....
Subtotal, rural housing insurance fund	3,347.0	2,320.0	[1] 3,270.97	3,394.0
Self-help housing land development fund	.....	.....	.....	2.7
Agricultural credit insurance fund:				
Farm ownership (insured)	625.0	600.0	[1] 693.0	625.0
Farm ownership (guaranteed)	50.0	50.0	[1] 49.5	50.0
Farm operating (insured)	1,810.0	1,920.0	[1] 1,900.8	1,920.0
Farm operating (guaranteed)	100.0	150.0	[1] 148.5	650.0
Soil and water (insured)	25.0	20.0	[1] 24.75	20.0
Soil and water (guaranteed)	6.0	6.0	[1] 5.94	6.0
Economic emergency (insured)	310.0	.....	.....	.....
Economic emergency (guaranteed)	290.0	.....	.....	.....

See footnote at end of table.

LOAN AND GRANT LEVELS—Continued

[In millions of dollars]

	1984 level	1985 budget	House bill	Committee recommendation
TYPE OF LOAN—Continued				
Indian land acquisition	12.0	4.0	[1]3.96	4.0
Soil conservation	30.0	.....	[1]15.84	16.0
Subtotal, agricultural credit insurance fund	3,258.0	2,750.0	[1]2,842.29	3,291.0
Rural development insurance fund:				
Water and waste disposal loans	270.0	250.0	[1]371.25	270.0
Community facility loans	130.0	100.0	[1]128.70	100.0
Industrial facility loans (guaranteed)	300.0	.....	[1]198.0	100.0
Subtotal, rural development insurance fund	700.0	350.0	[1]698.0	470.0
TYPE OF GRANT				
Water and waste disposal	90.0	90.0	[1]123.75	90.0
Farm labor housing	4.4	.....	[1]4.349	.....
Mutual and self-help housing	6.0	.....	[1]5.94	10.0
Home repair (sec. 504)	12.5	.....	[1]12.375	12.5
Rural community fire protection	3.25	.....	[1]3.217	3.25
Compensation for construction defects	2.0	.....	[1].99	1.0
Rural rental assistance payments	49.0	116.0	[1]51.727	52.25
Preservation pilot grants	.....	.....	[1]9.0	.....

[1]Reflects a 1-percent reduction as required by section 629.

Rural Housing Insurance Fund

The Rural Housing Insurance Fund was established under the authority contained in section 1003(a) of the Housing and Urban Development Act of 1965 (Public Law 89–117), approved August 10, 1965. Public Law 89–117 authorized an appropriation of such sums as may be necessary for the purposes of the fund. An appropriation of $100,000,000 was provided by the Supplemental Appropriations Act, 1966 (Public Law 89–309) to capitalize the fund for future operations.

This fund may be used to insure or guarantee rural housing loans, loans for rural rental and cooperative housing, farm labor housing loans, rural housing site loans and mobile home park loans. Beginning in fiscal year 1978, rental assistance payments were made from the fund. Loan programs are limited to rural areas which include towns, villages and other places of not more than 10,000 population, which are not part of an urban area, and areas with a population in excess of 10,000 but less than 20,000 if such area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate income borrowers.

This fund provides a variety of loans, within the income categories mentioned, including the following low-income housing assistance: subsidized loans for repairs, general purpose loans, domestic farm labor loans, and rental or cooperative loans. Unsubsidized loans for low-income persons include general purpose loans and site loans.

DIRECT LOANS

1984 loan level	($24,000,000)
1985 budget estimate	(17,000,000)
House bill	[1](16,830,000)
Committee recommendation	(17,000,000)

[1] Reflects a 1-percent reduction of $170,000, as required by section 629.

Direct rural housing loans to individuals with very low income may be made on farms, in the open country, and in towns of not more than 10,000 population that are rural in character. These loans may also be made in towns of 10,000–20,000 population that are not located within standard metropolitan statistical areas, and have a serious lack of mortgage credit.

Direct loans may be made to eligible very low-income applicants who are owners of farms or nonfarm rural property for the purpose of improving or modernizing a rural dwelling; making the dwellings safer or more sanitary, or removing hazards. The Secretary determines the maximum amount of the loan. These secured loans are made at 1 percent interest and are repayable within 20 years, except that a loan for less than $2,500 need only be secured by a promissory note.

COMMITTEE RECOMMENDATIONS

The Committee recommends that $17,000,000 be provided for direct loans in 1985. This is $7,000,000 less than fiscal year 1984, $170,000 more than the House bill, and the same as the budget estimate.

In fiscal year 1983, only $7,000,000 of the loans authorized were actually obligated. In fiscal year 1984, approximately $5,000,000 in loans were obligated through the first three quarters of the fiscal year. The Committee continues to believe that providing loans to individuals to repair their homes and make them safer and more sanitary is a much less expensive means of improving the quality of rural housing than new construction. Therefore, the Committee will expect FmHA to increase their efforts to obligate direct housing loans.

INSURED LOANS

1984 loan level	($3,261,000,000)
1985 budget estimate	(2,303,000,000)
House bill	[1](3,138,300,000)
Committee recommendation	(3,261,000,000)

[1] Reflects a 1-percent reduction of $31,700,000, as required by section 629.

COMMITTEE RECOMMENDATIONS

For insured loans for fiscal year 1985, the Committee recommends a level of $3,261,000,000. This is the same as was available for fiscal year 1984, $958,000,000 more than the budget request, and $122,700,000 more than the amount provided in the House bill.

The table at the beginning of the Farmers Home Administration section of this report illustrates the distribution of these funds among the various housing programs.

The Committee has restored funding for the rural rental housing program to the fiscal year 1984 level. The Committee remains very concerned over the availability of affordable rental housing in rural areas. This program has proven especially successful at providing additional housing opportunities for the elderly.

The Committee's recommendation does not include funds to be set aside for moderate-income loan assistance. However, the recommendation would allow the Department to continue to make a limited number of loans to other than low-income borrowers under assumption agreements or credit sales of dwellings in the agency's inventory where no low-income buyers are available and the failure to sell the dwelling would otherwise result in greater cost to the agency to retain and maintain the dwelling. Such loans should be kept to a minimum.

The House bill includes a general provision (section 627), similar to a provision in Public Law 98–332, which provides that 30 percent of the funds available for fiscal year 1985 under the section 502 rural housing program shall be available for very low-income borrowers and 70 percent shall be made available for low-income borrowers. If demand in the very low-income program requires more than 30 percent of the funds provided, the Secretary may transfer up to 10 percent of the funds from the low-income to the very low-income program. This is designed to alleviate a problem which was created by the manner in which Farmers Home interpreted certain sections of the Rural Housing Amendments of 1983. The Committee understands authorizing legislation to deal with this problem is forthcoming, and, therefore, recommends deletion of the House language.

RENT SUPPLEMENT AUTHORIZATION

1984 authorization	($62,000,000)
1985 budget estimate	
House allowance	[1](114,840,000)
Committee recommendation	(116,000,000)

[1] Reflects a 1-percent reduction of $1,160,000, as required by section 629.

The Housing and Community Development Act of 1976 established a rural rental assistance program to be administered by Farmers Home Administration through the Rural Housing Insurance Fund.

The objective of the program is to reduce rents paid by low-income families living in FmHA-financed rental projects and farm labor housing projects. Under this program, low-income tenants pay no more than 25 percent of their adjusted monthly income for rent. Payments from the fund are made to the project owner to make up the difference between the tenant's payment and the approved rental rate established for the unit.

COMMITTEE RECOMMENDATIONS

For rural rental assistance for existing rental units, the Committee recommends an authorization of $116,000,000, which is $1,160,000 more than the House allowance. The administration made no request for the

revolving fund, but did request a $116,000,000 direct appropriation for rural rental assistance payments.

The amount provided by the Committee will be used to assist 10,500 units with 5-year rental assistance agreements. This includes contract renewals for 7,000 units and funding for 3,500 units to cover servicing needs in existing rental housing projects.

It has been brought to the Committee's attention that FmHA has failed to make available 5-year rental assistance agreements for servicing in projects that contain units with 20-year rental assistance agreements. The Committee will expect FmHA to make 5-year agreements available to meet servicing needs in these projects at the earliest possible time.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND OTHER LOSSES

1984 appropriation	$1,508,082,000
1985 budget estimate	1,843,927,000
House allowance	[1] 1,825,487,730
Committee recommendation	1,843,927,000

[1] Reflects a 1-percent reduction of $18,439,270, as required by section 629.

This appropriation will be used to reimburse the Rural Housing Insurance Fund for funded interest subsidies and losses incurred in fiscal year 1983. Section 521(c)(1) of the Housing Act of 1949, as amended, authorizes annual appropriations to the Rural Housing Insurance Fund of the amounts by which interest payments made from the Fund to investors in insured loans exceed the interest due from borrowers. In addition, section 517(e) of the act authorizes appropriations to restore all other losses to the Fund. The amount requested is exclusive of provision for future losses, unfunded costs, and imputed interest.

COMMITTEE RECOMMENDATIONS

For reimbursement for interest subsidies and other losses for fiscal year 1985, the Committee recommends an appropriation of $1,843,927,000. This is $335,845,000 more than was provided in 1984, the same as the budget estimate, and $18,439,270 more than the amount provided in the House bill.

Since this account represents a reimbursement for net realized losses, any amounts not appropriated now would simply result in a requirement for an increased appropriation at a later date. Therefore, the Committee has restored the 1-percent reduction required by section 629 of the House bill.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

1984 appropriation	.....
1985 budget estimate	.....
House allowance	.....
Committee recommendation	($2,700,000)

This fund was authorized by Public Law 90–488, approved August 1, 1968. It is used as a revolving fund for making loans to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organizations, and cooperatives.

COMMITTEE RECOMMENDATIONS

The Committee recommends that $2,700,000 be made available for self-help housing land development loans in fiscal year 1985. The Committee notes that an estimated $3,200,000 will be available in the fund for loans in fiscal year 1985. The Committee believes that these funds will enable the self-help housing organizations to operate a more efficient and effective program.

AGRICULTURAL CREDIT INSURANCE FUND

The Agricultural Credit Insurance Fund is used to insure or guarantee farm ownership, soil and water, recreation, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, recreation, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified initial period.

Loans may be made by the fund from available receipts or Treasury borrowings. Loans made by the fund are held in a pool as security for certificates of beneficial ownership which are sold primarily to the Federal Financing Bank. FmHA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from FmHA as approved by the Secretary of Agriculture.

The following programs are financed through this fund:

Farm ownership loans.—Made to borrowers who cannot obtain credit elsewhere to improve or purchase farms, refinance nonfarm enterprises or make additions to farms.

Farm operating loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere.

Emergency disaster loans.—Made to farmers in Presidentially or Secretarially designated disaster areas to restore production.

Economic emergency loans.—Make financial assistance available during the period authorized by Public Law 96–220, (authority expired September 30, 1981), in the form of loans insured or guaranteed by FmHA for bona fide farmers and ranchers who are primarily and directly engaged in agricultural production. This will enable them to continue their normal farming or ranching operations during the economic emergency which has caused a lack of agricultural credit due to national or areawide economic stress such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.

Soil and water conservation loans.—Made to associations, farmers, ranchers and nonoperator owners for land and water development, use and conservation.

Grazing loans.—Generally made to associations of three or more ranchers for the purchase of grazing land to permit expansion of herds.

Indian tribe land acquisition loans.—Made to qualified Indian tribes or tribal corporations to acquire land or interests in land within the tribes' reservation or Alaskan Indian community, as determined by the Secretary of the Interior.

Recreation loans.—Made to farmers and ranchers for converting all or a portion of the farms or ranches they own or operate to outdoor income-producing recreation enterprises which will supplement or supplant farm income and permit carrying on sound and successful operations.

Watershed protection and flood prevention loans.—Made to sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites of rights-of-way, and for related costs.

Resource conservation and development loans.—Made to sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations and individuals for planned conservation measures and works of improvement as specified in approved work plans.

REAL ESTATE LOANS

	Insured	Guaranteed	Total
1984 loan level	($662,000,000)	($56,000,000)	($718,000,000)
1985 budget estimate	(624,000,000)	(56,000,000)	(680,000,000)
House allowance	(721,710,000)	(55,440,000)	[1](777,150,000)
Committee recommendation	(649,000,000)	(56,000,000)	(705,000,000)

[1]Reflects a 1-percent reduction of $7,850,000, as required by section 629.

Included in this account are the following real estate loans to individuals: Farm ownership loans, recreation loans, and soil and water loans. Also included are loans for watershed protection, flood prevention, resource conservation and development, and Indian tribe land acquisition loans for associations and groups.

COMMITTEE RECOMMENDATIONS

The Committee recommends $649,000,000 for insured real estate loans. This provides $25,000,000 more than the budget request and is $72,710,000 less than the House allowance.

The Committee recommends $56,000,000 for guaranteed real estate loans, the same as the budget request and that provided for fiscal year 1984, and $560,000 more than provided by the House.

The Committee continues to believe that the primary emphasis of the real estate loan program should be assisting young persons getting started in farming.

Of the funds provided for real estate loans, $675,000,000 is for farm ownership loans, of which $50,000,000 is to be guaranteed; $26,000,000 is for soil and water loans, of which $6,000,000 is to be guaranteed; and $4,000,000 is for Indian land acquisition loans.

SOIL CONSERVATION LOANS

1984 loan level	($30,000,000)
1985 budget estimate	
House allowance	[1](15,840,000)
Committee recommendation	(16,000,000)

[1]Reflects a 1-percent reduction of $160,000, as required by section 629.

Under Public Law 87–566, as amended, and other existing Departmental authorities, loans are made to individuals, cooperatives, corporations or partnerships that will operate a farm, either as a tenant or owner, after the loan is made. Soil and water loans may be made for land and water development, use and conservation including pollution control and energy saving measures.

COMMITTEE RECOMMENDATION

For soil conservation loans, the Committee recommends $16,000,000, $14,000,000 below the 1984 level and $160,000 above the House allowance. No request was made by the administration.

OPERATING LOANS

	Insured	Guaranteed	Total
1984 loan level	($1,810,000,000)	($100,000,000)	($1,910,000,000)
1985 budget estimate	(1,920,000,000)	(150,000,000)	(2,070,000,000)
House allowance	(1,900,800,000)	(148,500,000)	[1](2,049,300,000)
Committee recommendation	(1,920,000,000)	(650,000,000)	(2,570,000,000)

[1]Reflects a 1-percent reduction of $20,700,000, as required by section 629.

Subtitle B of the Consolidated Farm and Rural Development Act contains the authorization for insured and guaranteed operating loans. Operating loans made by the Farmers Home Administration are accompanied by supervisory assistance in farm and financial management. Operating credit is needed by family farmers throughout the United States who are unable to obtain credit from private and cooperative sources to develop a reasonable standard of living. The use of operating loan funds for this purpose helps to provide parity of opportunity for farm operators and encourages farm families to remain in rural areas. The Rural Development Act of 1972 authorized operating loans to be made on an insured and guaranteed basis.

COMMITTEE RECOMMENDATIONS

For operating loans for 1985, the Committee recommends a level of $2,570,000,000, including $1,920,000,000 for insured loans and $650,000,000 for guaranteed loans. This is $500,000,000 more than the budget estimate, $660,000,000 more than the 1984 level, and $520,700,000 more than the House allowance.

As in the case of real estate loans, the Committee will expect FmHA to utilize the operating loan program to the fullest extent possible to assist young persons getting started in farming.

The Committee has provided $650,000,000 for the guaranteed operating loan program, $500,000,000 more than the budget request and the

level provided in the House bill. The Committee notes that the Department increased the authorization for guaranteed operating loans in fiscal year 1984 by $100,000,000. It is estimated that all funding for guaranteed loans, including $290,000,000 made available for guaranteed economic emergency loans, will be utilized in fiscal year 1984. The increased utilization of, and demand for guaranteed loans are indicative of the severe economic problems being faced by farmers.

The enhanced funding for guaranteed operating loans in fiscal year 1985 will permit additional refinancing of farmers who are facing financial problems and will allow banks to continue financing some farmers whom they might not otherwise be able to finance. Loan guarantees provide additional security in loan cases which might be classified as substandard by bank regulators. This helps avoid adverse actions in these cases. In approving loan guarantees, however, the Committee will expect FmHA to maintain its existing criterion that farmers demonstrate adequate repayment ability.

EMERGENCY DISASTER LOANS

Emergency loans are made available in designated areas where a natural disaster has caused a temporary general need for agricultural credit which cannot be met by private, cooperative, or other responsible sources, including the Farmers Home Administration in its regular loan programs. Emergency loans are made to established eligible farmers, ranchers, and aquaculture operators and to private domestic corporations or partnerships engaged primarily in agricultural or aquacultural production. Emergency loans are made primarily for financing farm operating needs, family living expenses, and a number of closely related purposes and are not to exceed otherwise unreimbursed losses attributable to natural disasters.

Due to the uncertainty in the requirement for emergency loans and the necessity that loans be made in a timely manner, the Committee has continued the past practice of including bill language which does not limit the amount of loans that may be made under the emergency loan program.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND OTHER LOSSES

1984 appropriation	$895,522,000
1985 budget estimate	1,089,943,000
House allowance	[1] 1,079,043,570
Committee recommendation	1,089,943,000

[1] Reflects a 1-percent reduction of $10,899,430, as required by section 629.

The amount requested will reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses incurred through September 30, 1983. Losses result primarily from writeoff of uncollectable loans and interest costs incurred because of the difference between interest rates charged to borrowers and the rate which the Government must pay for its own borrowing.

COMMITTEE RECOMMENDATIONS

For reimbursement for interest subsidies and other losses for fiscal year 1985, the Committee recommends an appropriation of $1,089,943,000. This is $194,421,000 more than was provided in 1984, the same as the budget estimate and $10,899,430 more than was provided in the House bill.

Since this account represents a reimbursement for net realized losses, any amounts not appropriated now would simply result in a requirement for an increased appropriation at a later date. Therefore, the Committee has restored the 1-percent reduction required by section 629 of the House bill.

RURAL DEVELOPMENT INSURANCE FUND

The Rural Development Insurance Fund was established on October 1, 1972, pursuant to section 309(A) of the Rural Development Act of 1972 (Public Law 92–419), which also provided for transfer of the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities to this fund.

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, development of rural business, community facilities, and industrial development in rural areas.

WATER AND WASTE DISPOSAL LOANS

1984 loan level	($270,000,000)
1985 budget estimate	(250,000,000)
House allowance	[1](371,250,000)
Committee recommendation	(270,000,000)

[1] Reflects a 1-percent reduction of $3,750,000, as required by section 629.

Loans are made to organizations including certain Indian tribes and corporations not operated for profit, and public and quasi-public agencies, for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

COMMITTEE RECOMMENDATIONS

For water and waste disposal loans for fiscal year 1985, the Committee recommends a level of $270,000,000. This is $20,000,000 more than the budget estimate, the same as the level available in 1984, and $101,250,000 less than the the House bill.

INDUSTRIAL DEVELOPMENT LOANS

1984 loan level	($300,000,000)
1985 budget estimate	
House allowance	[1](198,000,000)
Committee recommendation	(100,000,000)

[1] Reflects a 1-percent reduction of $2,000,000, as required by section 629.

These loans are made to public, private, or cooperative organizations organized for profit or nonprofit, to certain Indian tribes, or to individ-

uals for the purpose of improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, conversion, enlargement, repair or modernization; financing the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, leases, machinery, supplies and materials; and payment of start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of 25,000 or less. Loans may be guaranteed by FmHA not to exceed 90 percent of the loss. Guaranteed loans are repayable in not more than 30 years, depending on the loan purpose, and bear interest at a rate agreed upon by the lender and borrower.

COMMITTEE RECOMMENDATIONS

For guaranteed industrial development loans for fiscal year 1985, the Committee recommends a level of $100,000,000. This is $200,000,000 less than what was provided in 1984 and $98,000,000 less than provided in the House bill. No request was made by the administration.

The Committee remains concerned that obligations under the industrial loan program have fallen considerably short of the levels authorized. In fiscal year 1983 only 63 loans were made under the program.

For those getting started in agriculture and for many who are working to maintain their farming operations, the availability of off-farm employment is crucial. The industrial loan program has proven highly successful in the past at attracting and maintaining employment opportunities in rural areas. The Committee believes that every effort must be made to see to it that rural businesses have access to this program and that the timeliness of loan processing be improved. To that end, the Committee will expect that loan approval authority for industrial development loans of up to $1,000,000 be returned to the FmHA State directors.

The Committee will expect funds to continue to be made available for alcohol fuel production facility loans.

COMMUNITY FACILITY LOANS

1984 loan level	($130,000,000)
1985 budget estimate	(100,000,000)
House allowance	[1](128,700,000)
Committee recommendation	(100,000,000)

[1] Reflects a 1-percent reduction of $1,300,000, as required by section 629.

Loans are made to organizations, including certain Indian tribes and corporations not operated for profit, and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, hydroelectric generation,

and community, social, cultural, and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 population.

COMMITTEE RECOMMENDATIONS

For community facility loans for fiscal year 1985, the Committee recommends a level of $100,000,000. This is $30,000,000 less than the amount provided in 1984, $28,700,000 less than the House allowance, and the same as the budget request.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND LOSSES

1984 appropriation	$477,829,000
1985 budget estimate	560,005,000
House allowance	[1] 554,404,950
Committee recommendation	560,005,000

[1] Reflects a 1-percent reduction of $5,600,050, as required by section 629.

This appropriation is to reimburse the Rural Development Insurance Fund for funded interest subsidies and losses incurred in fiscal year 1983.

COMMITTEE RECOMMENDATIONS

For reimbursement for interest subsidies and losses for the Rural Development Insurance Fund for fiscal year 1985, the Committee recommends an appropriation of $560,005,000. This is $82,176,000 more than was provided in 1984, the same amount as in the budget request, and $5,600,050 more than that provided in the House bill.

Since this account represents a reimbursement for net realized losses, any amounts not appropriated now would simply result in a requirement for an increased appropriation at a later date. Therefore, the Committee has restored the 1-percent reduction required by section 629 of the House bill.

RURAL GRANT PROGRAMS

RURAL WATER AND WASTE DISPOSAL GRANTS

1984 appropriation	$90,000,000
1985 budget estimate	90,000,000
House allowance	[1] 123,750,000
Committee recommendation	90,000,000

[1] Reflects a 1-percent reduction of $1,250,000, as required by section 629.

This grant program is authorized by section 306 of the Consolidated Farm and Rural Development Act. Grants are authorized to be made to associations, including nonprofit corporations, public and quasi-public agencies, and certain Indian tribes to finance specific projects for the development, storage, treatment, purification, or distribution of water or the collection, treatment or disposal of waste in rural areas.

COMMITTEE RECOMMENDATIONS

The Committee recognizes that one of the greatest potential health hazards in rural areas is the lack of adequate, safe drinking water and inadequate sewage treatment. The Committee recommends an appropriation of $90,000,000 for rural water and waste disposal grants. This is $33,750,000 less than the House bill and the same as the budget estimate and the level provided in fiscal year 1984.

VERY LOW-INCOME HOUSING REPAIR GRANTS

1984 appropriation	$12,500,000
1985 budget estimate	
House allowance	[1] 12,375,000
Committee recommendation	12,500,000

[1] Reflects a 1-percent reduction of $125,000, as required by section 629.

This grant program is authorized under section 504 of title V of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants for very low-income persons to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community. Such grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, installing screens, repairing or providing structural supports, or making similar repairs, additions, or improvements including all preliminary and installation costs in obtaining central water and sewer service. A grant is usually in combination with a section 504 very low-income housing repair loan.

The Secretary will determine the maximum amount of grant or combination of loan and grant.

COMMITTEE RECOMMENDATIONS

For very low-income housing repair grants for fiscal year 1985, the Committee recommends an appropriation of $12,500,000. This is the same as the amount provided in 1984, $125,000 more than the amount provided in the House bill, and $12,500,000 more than the budget estimate.

GRANTS FOR RURAL HOUSING FOR DOMESTIC FARM LABOR

1984 appropriation	$4,393,000
1985 budget estimate	
House allowance	[1] 4,349,070
Committee recommendation	

[1] Reflects a 1-percent reduction of $43,930, as required by section 629.

Financial assistance in the form of grants is authorized to public or private nonprofit organizations, or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

Under section 516 of the Housing Act of 1949, FmHA is authorized to share with States or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farmworkers, the

cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless sooner terminated by the Farmers Home Administration. Grant obligations are secured by a mortgage on the housing or other security. In the event of default, the Farmers Home Administration has the option to require repayment of the grant.

COMMITTEE RECOMMENDATIONS

For grants for rural housing for domestic farm labor for fiscal year 1985, the Committee recommends no new appropriation. This is $4,393,000 less than the amount provided in 1984, the same as the budget request and $4,349,070 less than the amount provided in the House bill.

The Committee notes that $12,000,000 to $14,000,000 of carryover funds will be available for expenditure in fiscal year 1985 for this program. In view of the obligation rate in this program in recent years, this amount should be sufficient to carry out this program.

The Committee directs that 10 percent of the funds available at the beginning of fiscal year 1985 shall be used to encourage the development of domestic and migrant farm labor housing projects, in accordance with section 516(i) of the Housing Act of 1949 as amended. The Committee expects to be informed of the actual amount of carryover as soon as possible after the new fiscal year begins.

The Committee expects the Department to evaluate the farm labor housing plan "From Vicksburg to Memphis" and to report its evaluation to the Committee promptly.

MUTUAL AND SELF-HELP HOUSING GRANTS

1984 appropriation	$6,000,000
1985 budget estimate	
House allowance	[1] 5,940,000
Committee recommendation	10,000,000

[1] Reflects a 1-percent reduction of $60,000, as required by section 629.

This grant program was authorized by Public Law 90–448, approved August 1, 1968. Grants are made to local organizations to promote the development of mutual or self-help housing programs under which

groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE RECOMMENDATIONS

For mutual and self-help housing grants for fiscal year 1985, the Committee recommends an appropriation of $10,000,000. This is $4,000,000 more than the level provided in 1984 and $4,060,000 more than the amount provided in the House bill. No appropriation was requested by the administration.

The self-help housing program provides great benefits both to prospective homeowners and the Federal Government. A Farmers Home study gives evidence that this is a cost-effective program that works. Houses constructed by the self-help method cost an average of $10,115 less than contractor built homes. The average self-help technical assistance grant cost is $4,915 per house; therefore, the Federal Government saves $5,200 per house (the difference between the savings in house cost and the cost of the technical assistance grant). Furthermore, at an average mortgage rate of 3 percent, the annual interest credit savings on a section 502 loan is $938 per year. In 5 years, the interest credit savings will exceed the cost to the Government for the technical assistance grant.

The Committee expects that the self-help regional technical assistance contracts will be continued. Under these contracts, local technical assistance grantees receive valuable technical and management assistance, and prospective grantees are aided in assembling information necessary to making application for a technical assistance grant. The Committee suggests that FmHA work with the regional contractors to improve procedures for assisting new grantees.

RURAL COMMUNITY FIRE PROTECTION GRANTS

1984 appropriation	$3,250,000
1985 budget estimate	
House allowance	[1] 3,217,500
Committee recommendation	3,250,000

[1] Reflects a 1-percent reduction of $32,500, as required by section 629.

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

COMMITTEE RECOMMENDATIONS

For rural community fire protection grants for fiscal year 1985, the Committee recommends an appropriation of $3,250,000. This is the same amount as provided in 1984 and $32,500 more than the House bill. No appropriation was requested by the administration.

COMPENSATION FOR CONSTRUCTION DEFECTS

1984 appropriation	$2,000,000
1985 budget estimate	
House allowance	[1] 990,000
Committee recommendation	1,000,000

[1] Reflects a 1-percent reduction of $10,000, as required by section 629.

Under section 509(c) of the Housing Act of 1949, as amended, the Secretary of Agriculture is authorized to pay the cost of correcting structural defects, paying claims arising from defects on newly constructed dwellings purchased with FmHA financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within 18 months of loan closing.

COMMITTEE RECOMMENDATIONS

The Committee recommends $1,000,000 for construction defects. This is $1,000,000 more than the budget request, $10,000 more than the House allowance, and $1,000,000 less than the level provided in fiscal year 1984.

RURAL RENTAL ASSISTANCE PAYMENTS

1984 appropriation	$49,000,000
1985 budget estimate	116,000,000
House allowance	[1] 51,727,500
Committee recommendation	52,250,000

[1] Reflects a 1-percent reduction of $522,500, as required by section 629.

This program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended.

The objective of the program is to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Under this program, low-income tenants will pay 25 percent of their adjusted monthly income for rent. Payments are made to the project owner to make up the difference between the tenants' rent payments and the approved rental rates for the units.

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee has provided $52,250,000. This is $63,750,000 less than the budget request and $522,500 more than the amount provided in the House bill. The amount provided by the Committee will allow 4,750 new rental units to receive rental assistance, the same as the number of new units provided by the Congress for fiscal year 1984.

The Committee concurs with the action of the House in providing funding for rental assistance payments for newly constructed housing units as a separate appropriation. The budget assumed no funding for new rental assistance agreements. The Committee recognizes that in order to make additional rental units available for very low-income individuals in rural areas, additional rental assistance agreements must be made available. The Committee has concurred, as noted earlier in this report, in the House action to provide funding for 5-year contract renewals for 7,000 units and for 3,500 5-year units for servicing needs under the rural housing insurance fund.

RURAL HOUSING PRESERVATION PILOT GRANTS

1984 appropriation	.....
1985 budget estimate	.....
House allowance	[1] $9,900,000
Committee recommendation	.....

[1] Reflects a 1-percent reduction of $100,000, as required by section 629.

Section 522 of the Housing and Urban-Rural Recovery Act of 1983 (titles I–V of Public Law 98–181) authorized a rural housing preservation grants program under the Farmers Home Administration to make grants to State or local governments, Indian tribes, private nonprofit organizations, and a consortia of other eligible grantees to rehabilitate housing which is either owned or occupied by low or very-low income persons or families. The program is authorized at a level of $100,000,000 each year for fiscal years 1984 and 1985.

While the section 504 loan and grant programs are aimed at the same income levels as this program, they are restricted to the elderly. Also, the Farmers Home Administration staff limitations are such that an increase in funding or expansion of responsibility may not provide satisfactory results.

The preservation grants program will employ local housing expertise and will improve the delivery of rehabilitation assistance. Farmers Home will rank and fund qualified applicants (for example, governments, or nonprofit organizations), but will not be responsible for processing individual applications for assistance. The grantee would operate the program on a day-to-day basis, and FmHA would review and monitor the activity of the grantee.

COMMITTEE RECOMMENDATIONS

The Committee recommends no appropriation for the rural housing preservation grants pilot program. The House bill provided $10,000,000, but there was no budget request.

This action should not be interpreted as a lack of support on the part of the Committee for the rural housing preservation grant program. It is the Committee's intention to recommend a $30,000,000 appropriation in the fiscal year 1984 regular supplemental appropriations bill for the preservation grants program, and to recommend that these funds remain available through fiscal year 1985. This level will be sufficient to operate the program as it was designed in the authorizing legislation, and, therefore, will not be a pilot program, as proposed by the House.

SALARIES AND EXPENSES

	Appropriation	Transfers from loan accounts	Total
1984 appropriation	[1] $327,149,000	($4,000,000)	($331,149,000)
1985 budget estimate	327,251,000	(4,000,000)	(331,251,000)
House allowance	323,978,490	(3,960,000)	[2] (327,938,490)
Committee recommendation	327,251,000	(4,000,000)	(331,251,000)

[1] Excludes pay supplemental of $3,254,000.
[2] Reflects a 1-percent reduction of $3,312,510, as required by section 629.

Funds appropriated to this account are used to administer the various loan and grant programs of the Farmers Home Administration, with the exception of emergency, watershed, flood prevention, and resource conservation and development loans. Administration of the programs includes the reviewing of applications, making and collecting loans, and extending technical assistance to borrowers.

In addition, other funds are made available from the Agricultural Credit Insurance Fund to service the emergency disaster program. An annual allotment is received from the Soil Conservation Service to cover the costs of administering watershed, flood prevention, and resource conservation and development loans.

COMMITTEE RECOMMENDATIONS

For salaries and expenses for fiscal year 1985, the Committee recommends an appropriation of $331,251,000. This is $102,000 more than was appropriated in 1984, the same as the budget estimate, and $3,312,510 more than the House allowance.

The Committee continues to believe that efforts to restrict the personnel levels of FmHA are shortsighted. With a loan portfolio in excess of $50,000,000,000, adequately trained personnel to service these loans are essential. Therefore, the Committee has accepted the language contained in section 626 of the House bill which establishes a minimum employment ceiling for FmHA.

Many FmHA borrowers are experiencing severe economic distress due to reduced commodity prices and continued high rates of interest. The Committee urges the Secretary of Agriculture to exercise the authority available to him to forego foreclosure of any outstanding FmHA loan upon a showing by a borrower that, due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of principal and interest when due without unduly impairing the standard of living of the borrower. The Committee will expect FmHA to utilize all authorities available to it to assist its borrowers in staying in business. The Committee concurs in the House action to include a restatement of current law as it relates to loan deferrals and moratoriums in the bill in order to emphasize its support for the implementation and use of this authority.

The Committee notes that the FmHA has the authority to adjust interest rates and to renegotiate the terms of loans, including loans made to grazing associations. The Committee believes the full breadth

of FmHA's authority should be utilized to keep viable farming and ranching operations in business and to prevent marginal land now committed to grazing from being forced into crop production.

The Committee understands that a reversionary interest clause in deeds on lands which have been sold to farmers by the State of Alaska has caused some lenders to deny loans to farmers who own the land. The Committee will expect the Department to work with the Farm Credit Administration to review this reversionary clause and determine whether lands subject to this type of clause constitute sufficient collateral for loans made by the Farmers Home Administration and by Production Credit Associations. The Committee expects to be provided with the results of this review and evaluation no later than September 30, 1984.

The Committee has retained language contained in the fiscal year 1984 bill and recommended by the House which prohibits the relocation of the Hawaii State office from Hilo to Honolulu, Hawaii. While the Committee is not aware of any proposal to relocate the office at this time, the Committee has retained the language in order to see that the best interests of the farmers of Hawaii are adequately protected.

The Committee has also retained language providing that $1,600,000 be used to support a circuit rider program to provide technical assistance to rural water systems. The work of the National Rural Water Association has proven highly valuable to both the taxpayers and users of those systems and should be continued.

The Committee is aware of concern over the implementation of a proposed new loan analysis and recordkeeping system, the coordinated financial statements (CFS). The General Accounting Office has initiated a review of the CFS implementation, what alternatives were considered, and what analysis of the pilot implementation project was completed. In addition, GAO will test the acceptability of the CFS forms by farmers and explore whether the CFS system might act to discourage borrowers from applying for FmHA credit assistance.

The Committee recognizes that FmHA borrowers, for the most part, are in need of management assistance and guidance. Since 1977, FmHA and the Extension Service have carried out a joint national pilot project to test the feasibility of using computerized decision aids in administering FmHA's supervised credit. The computerized financial management assistance project now serves 20 counties in Minnesota. Under this system, farmers and FmHA personnel use computerized techniques to analyze farm operations and farm plan alternatives. This system has been well received by borrowers and FmHA personnel. However, plans to expand the pilot project were halted with the implementation of the CFS.

The Committee expects that in light of the ongoing review of the CFS system, further expansion of its use should be delayed, and further analysis of potential alternatives, such as the computerized financial management assistance project, should be completed. The Committee notes that preliminary results of the GAO review indicate that it may

take FmHA county supervisors over three times as long to review a submitted loan application using the CFS forms as it does under the current FmHA system.

The Committee will expect FmHA to conduct its own evaluation of the CFS and, during hearings on the fiscal year 1986 budget, to report on implementation of CFS and what alternatives were considered.

The House bill included a general provision (section 628) which would clarify provisions of law to specify that in cases of loss due to a disaster, the Secretary shall accept payment of unpaid principal and interest as full settlement of the borrower's liability. The Committee does not concur in this action. Procedurally, the Committee believes that such changes in law should originate with the authorizing committees. Further, the Committee understands that the law which the House action would modify is used only in limited cases—where the borrower has realized a financial gain (whether from sale or from insurance payments in the case of disasters) on disposition or nonoccupancy. A part of the financial gain is used to repay the Government a part of the interest subsidy received by the borrower. The Committee believes that to exclude such borrowers from the subsidy recapture provisions would not be equitable.

The Committee expects FmHA to administer a balanced program of farm, housing, and rural development. FmHA is directed to report to the Committee on obligations by program on no less than a quarterly basis. FmHA shall provide explanations to the Committee when program obligation levels fall below the quarterly rate by more than 10 percent.

Rural Electrification Administration

The Rural Electrification Administration (REA) was established by Executive Order 7037 on May 11, 1935, to provide loan funds to eligible borrowers for the purpose of extending central station electric service to unserved persons in rural areas. Statutory provision for the agency was made in the Rural Electrification Act of May 20, 1936, and on July 1, 1939, under Reorganization Plan II, REA became a part of the Department of Agriculture. On October 28, 1949, the purpose of REA was expanded by Public Law 423 which amended the Act to authorize loans for furnishing telephone service to rural areas.

Public Law 93–32, enacted May 11, 1973, amended the Rural Electrification Act of 1936, as amended, by establishing a "Rural Electrification and Telephone Revolving Fund" (RETRF) for the purpose of making insured loans to REA electric and telephone borrowers. Loans made under this authority bear either 2- or 5-percent interest in accordance with criteria specified in the act, and have a maturity not to exceed 35 years. The act also authorized REA to guarantee loans made by other lenders at rates and terms agreed upon between the lender and the borrower. The rural electrification and telephone revolving fund legislation contains the following statement of congressional policy:

> * * * it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured, and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended; and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives.

In October 1976, Public Law 94–570 amended the act, changing the statutory criteria used in determining eligibility for the special interest rate (2-percent) insured loans. The change in criteria corrected unintended inequities resulting from Public Law 93–32, bringing the number of borrowers eligible for the special rate more in line with congressional intent and with borrowers' actual needs for loan funds at this rate.

On August 13, 1981, the Omnibus Budget Reconciliation Act, Public Law 97–35, was signed into law to further amend the RE Act. This legislation changed the RE Act by eliminating the special 2-percent interest rate on insured loans from the RETRF. It also provided that the Administrator may make insured loans at a rate less than 5 percent, but not less than 2 percent, if the borrower has experienced extreme financial hardship, or cannot provide service consistent with the objectives of the act without charging rates so high that a substantial disparity results between such rates and those charged for similar services in the same or nearby areas by other suppliers.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

ELECTRIC LOANS

1984 loan authorization	($850,000,000)
1985 budget estimate	(500,000,000)
House allowance	[1](841,500,000)
Committee recommendation	(850,000,000)

[1] Reflects a 1-percent reduction of $8,500,000, as required by section 629.

TELEPHONE LOANS

1984 loan authorization	($250,000,000)
1985 budget estimate	(75,000,000)
House allowance	[1](247,500,000)
Committee recommendation	(250,000,000)

[1] Reflects a 1-percent reduction of $2,500,000, as required by section 629.

COMMITTEE RECOMMENDATIONS

The Committee commends REA for maintaining stable ratios of concurrent and supplemental loans at the current levels. During fiscal year 1985, the Administrator is expected to provide borrowers supplemental

financing in accordance with applicable criteria and ratios in effect as of July 15, 1982.

For insured loans to rural electric systems, the Committee recommends a floor of $850,000,000 and a ceiling of $1,100,000,000. For insured telephone loans the Committee recommends a floor of $250,000,000 and a ceiling of $325,000,000. The budget proposed a $500,000,000 limitation on insured electric loans and a $75,000,000 limitation on insured telephone loans.

The Committee concurs with House action in establishing a minimum of $1,325,000,000 and a maximum of $2,345,000,000 of total loan principal contingent liability for commitments made in the REA loan guarantee program. These figures assume a minimum guaranteed loan level of $1,200,000,000 for the electric program and a minimum guaranteed loan level of $125,000,000 for the telephone program.

It has been brought to the Committee's attention that the minimum level of insured and guaranteed loan commitments contained in the fiscal year 1984 bill will not be achieved due to general economic factors in rural America. The Committee recognizes that without applications to fund, the minimum loan levels cannot be achieved. The Committee does not view the fiscal year 1984 shortfall as precedent setting and will expect the minimum to be met in fiscal year 1985.

REIMBURSEMENT FOR LOSSES

1984 appropriation	($197,862,000)
1985 budget estimate	.....
House allowance	[1] (213,804,360)
Committee recommendation	(215,964,000)

[1] Reflects a 1-percent reduction of $2,159,640, as required by section 629.

The Committee concurs with House action to reimburse the rural electrification and telephone revolving fund for the differential between interest income and interest costs. Without this reimbursement, the fund's assets will continue to be depleted and its financial integrity eroded. Therefore, the Committee recommends $215,964,000 to restore the fund to a sound financial basis. This is $2,159,640 more than was provided by the House and $18,102,000 more than was appropriated in fiscal year 1984. There is no budget request for this reimbursement, nor was there any request for such a reimbursement in 1984.

Since this account represents a reimbursement for net realized losses, any amounts not appropriated now would simply result in a requirement for an increased appropriation at a later date. Therefore, the Committee has restored the 1-percent reduction required by section 629 of the House bill.

RURAL TELEPHONE BANK

1984 appropriation	($30,000,000)
1985 budget estimate	.....
House allowance	[1](29,700,000)
Committee recommendation	(30,000,000)

[1] Reflects a 1-percent reduction of $300,000, as required by section 629.

Public Law 92–12 amended the Rural Electrification Act to establish the Rural Telephone Bank as a supplemental source of financing for the growing capital needs of rural telephone systems. It also authorized U.S. stock purchases totaling $300,000,000 with up to $30,000,000 to be appropriated annually.

The $300,000,000 stock purchase was completed in 1981. Public Law 97–98, approved December 22, 1981, amended the act by providing for an authorization of an additional $300,000,000 in U.S. stock purchases with $30,000,000 to be appropriated annually.

COMMITTEE RECOMMENDATIONS

For the Rural Telephone Bank, the Committee recommends an appropriation of $30,000,000, the same amount as appropriated for fiscal year 1984 and the same amount as the annual authorization for this appropriation. This is $300,000 more than was provided by the House.

RURAL COMMUNICATION DEVELOPMENT FUND

1984 appropriation	$375,000
1985 budget estimate	841,000
House allowance	[1]832,590
Committee recommendation	841,000

[1] Reflects a 1-percent reduction of $8,410, as required by section 629.

The Rural Communication Development Fund, an account under the rural development insurance fund, was established pursuant to Secretary's Memorandum No. 1988, approved May 22, 1979. The memorandum transferred certain financing authorities under the Consolidated Farm and Rural Development Act (U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antenna television services to facilities in rural areas.

COMMITTEE RECOMMENDATIONS

For the rural communication development fund, the Committee recommends an appropriation of $841,000. This is the same amount provided in the budget request, $8,410 more than was provided in the House bill, and $466,000 more than was provided in fiscal year 1984. These funds will be used to reimburse the RCDF for subsidies and losses sustained in prior years that have not been previously reimbursed.

SALARIES AND EXPENSES

1984 appropriation	[1] $29,585,000
1985 budget estimate	30,340,000
House allowance	[2] 30,036,600
Committee recommendation	30,340,000

[1] Excludes pay supplemental of $320,000.
[2] Reflects a 1-percent reduction of $303,400, as required by section 629.

COMMITTEE RECOMMENDATIONS

For the salaries and expenses necessary to carry out the functions of the Rural Electrification Administration for fiscal year 1985, the Committee recommends an appropriation of $30,340,000. This is $755,000 more than the amount appropriated for fiscal year 1984, the same as the budget estimate, and $303,400 more than was provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

CONSERVATION

SOIL CONSERVATION SERVICE

The Soil Conservation Service (SCS) was established under authority of the Soil Conservation Act of 1935 (49 Stat. 163; 16 U.S.C. 590a–f). It has responsibility for developing and carrying out a national soil and water conservation program in cooperation with landowners and operators and other land users and developers, with community planning agencies, with regional resource groups, and with other agencies of government—Federal, State, and local. The SCS also assists in agricultural pollution control, environmental improvement, and rural community development.

The soil and water conservation program is carried on through financial and technical help to locally organized and operated conservation districts; local sponsors of watershed protection projects and resource conservation and development projects; and consultative assistance to other individuals and groups. Approximately 3,000 conservation districts cover almost 2 billion acres in all the States, Puerto Rico, and the Virgin Islands.

COMMITTEE RECOMMENDATIONS

In its recommendations for funding SCS activities, the Committee continues its strong support for soil and water conservation programs. These programs are vitally important to prevent further depletion of the natural resource base that is the foundation of America's agricultural success. The President's request for SCS programs reflects a reduction of $126,720,000 from the amount provided in the fiscal year 1984 appropriations bill.

The Committee notes that SCS currently has a total fleet of over 10,000 motor vehicles. The 1985 estimate for passenger motor vehicles proposes the purchase of 25 additional and 400 replacement vehicles. SCS has indicated that no study or evaluation of the vehicular needs of

the Service has been performed recently. The Committee directs SCS to undertake such an evaluation and report its results to the Committee prior to purchasing any new or replacement vehicles in fiscal year 1985.

The Committee recommends concurrence in the House action which would prevent SCS from reducing the ceiling on its full-time equivalent staff-years below 14,156.

CONSERVATION OPERATIONS

1984 appropriation	[1] $346,947,000
1985 budget estimate	350,730,000
House allowance	[2] 352,800,360
Committee recommendation	356,364,000

[1] Excludes pay supplemental of $8,138,000 to be derived by transfer from "watershed and flood prevention."
[2] Reflects a 1-percent reduction of $3,563,640, as required by section 629.

SCS provides technical assistance through conservation districts to landowners and operators in carrying out locally adapted soil and water conservation programs. This includes technical assistance in the development of conservation plans and application of conservation treatment, the making of soil surveys and the operation of plant material centers. The Service is responsible for inventory and monitoring of soil, water, and related resource data and resource use trends essential for programing and planning at all governmental levels.

COMMITTEE RECOMMENDATIONS

For conservation operations for fiscal year 1985, the Committee recommends an appropriation of $356,364,000. This is $9,417,000 more than was provided in 1984, $5,634,000 more than the budget estimate, and $3,563,640 more than the amount provided in the House bill.

The budget proposed a decrease of $5,634,000 in technical assistance due to the administration's desire to cut Federal deficit spending. While the Committee strongly supports and shares that desire, it is not the opinion of the Committee that cuts should come from investments in our Nation's soil conservation efforts. With our soil eroding at the rate of 6.5 billion tons per year, we cannot afford to reduce funding for the programs which are designed to reduce erosion, nor can we afford to cut programs which insure water quality and conservation.

Soil and water conservation is a nationwide problem, and a base program has been established which provides technical assistance in soil conservation districts throughout the United States, Puerto Rico, and the U.S. Virgin Islands. The Department proposed a reduction in the base program for fiscal year 1985 in favor of an accelerated targeting program. The Committee recognizes the value of targeting additional assistance toward areas with a higher degree of erosion; however, this additional assistance should not be provided at the expense of the base program. Therefore, the Committee recommends concurrence in the House provision which limits targeting efforts to $27,500,000, which is 10 percent of the technical assistance program. If the Department deems it necessary to provide additional funds to targeted areas, a supplemental request should be submitted. The distribution formula as of

the beginning of fiscal year 1984 should also be retained for fiscal year 1985.

This appropriation for conservation operations includes continued funding for the groundwater study which is now underway in Arkansas. This study is funded at the level of $475,000.

It has been brought to the Committee's attention that there is considerable interest in the establishment of a plant materials center in the State of Arkansas to meet the need for conservation plant materials in that area. The Committee believes that this need should not go unmet. Therefore, the Committee directs SCS to work with local conservation officials in Arkansas to develop a plan to meet those needs and to present that plan to the Committee. Consideration should be given to the need for continuing Federal support for a plant materials center to be located in that State.

CHESAPEAKE BAY

The Committee is concerned that the Department of Agriculture and the Environmental Protection Agency do not have a defined working relationship in regard to the Federal Chesapeake Bay cleanup program's nonpoint source pollution control efforts. Nonpoint sources, including cropland erosion, have been found to be the primary contributor of pollutants in the bay. SCS, with its water quality and erosion control responsibilities, should be a prime participant in any permanent bay cleanup effort. Therefore, the Committee directs the Department to make every effort to establish a memorandum of understanding with the EPA which will define and coordinate responsibilities in the implementation of nonpoint source controls in the Chesapeake Bay basin. These controls should reduce pollution from agricultural lands that are significantly affecting Chesapeake Bay water quality.

The Committee also expects that efforts will be increased in the Chesapeake Bay basin to identify the critical nonpoint sources of pollution, to design best management practices (BMP's) for farm units, and to certify installation of the BMP's. To the extent possible, the Committee directs that 10 additional FTE positions be assigned to the Chesapeake Bay basin. The increased full-time equivalent staff-year ceiling provided in section 626 of the bill should make this possible. Should the Department determine that additional funds are needed for this purpose, a supplemental appropriations request should be submitted to the Congress.

The Committee will further expect the Department, during hearings on the fiscal year 1986 budget, to report on the progress being made in the nonpoint source control efforts in the bay area and on the cooperative efforts of SCS and EPA in the region.

In an effort to improve the water quality in the Chesapeake Bay, the Committee will expect the SCS to give accelerated technical assistance to the Juniata (Pennsylvania) erosion control area which is within the Chesapeake Bay drainage area.

RIVER BASIN SURVEYS AND INVESTIGATIONS

1983 appropriation	$15,619,000
1985 budget estimate	13,556,000
House allowance	[1]15,751,890
Committee recommendation	13,556,000

[1] Reflects a 1-percent reduction of $159,110, as required by section 629.

The Soil Conservation Service administers a program which involves cooperation with other Federal, State, and local agencies in order to aid in the development of coordinated water resource programs. The Service has general responsibility for administration of activities consisting of investigations and surveys of proposed small watershed projects in response to requests made by sponsoring local organizations, and assisting sponsors in the development of watershed work plans.

COMMITTEE RECOMMENDATIONS

For River Basin Surveys and Investigations for fiscal year 1985, the Committee recommends an appropriation of $13,556,000. This is $2,063,000 less than was provided in 1984, the same as the budget estimate, and $2,195,890 less than was provided in the House allowance.

Although the Committee is recommending a decrease in the funding for this account, funds made available will be sufficent to initiate 14 new river basin studies, compared with only 9 in fiscal year 1984. This is possible, because a revision in study methodology has decreased their cost.

WATERSHED PLANNING

1984 appropriation	$8,675,000
1985 budget estimate	7,898,000
House allowance	[1]8,769,420
Committee recommendation	8,675,000

[1] Reflects a 1-percent reduction of $88,580, as required by section 629.

The Department cooperates with the States and other agencies in planning works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water, as authorized by Public Law 83–566.

The Department makes surveys of proposed small watershed projects, and work plans are prepared in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, the cost sharing and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development.

COMMITTEE RECOMMENDATIONS

For watershed planning for fiscal year 1985, the Committee recommends an appropriation of $8,675,000. This is the same amount provided in 1984, $777,000 more than the budget estimate, and $94,420 less than the amount provided in the House bill.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1984 appropriation	$183,200,000
1985 budget estimate	86,079,000
House allowance	[1] 180,477,000
Committee recommendation	182,300,000

[1] Reflects a 1-percent reduction of $1,823,000, as required by section 629.

The Soil Conservation Service has general responsibility for administration of activities which include cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement to reduce erosion, floodwater, and sediment damage; conserve, develop, utilize, and dispose of water; plan and install works of improvement for flood prevention including the development of recreational facilities and the improvement of fish and wildlife habitat; and loans to local organizations to help finance the local share of the cost of carrying out planned watershed and flood prevention works of improvement as authorized by Public Law 566, Public Law 534, and section 216 of the Flood Control Act of 1950. The Farmers Home Administration administers the loan program.

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations for fiscal year 1985, the Committee recommends an appropriation of $182,300,000. This is $900,000 less than was provided in 1984, $96,221,000 over the budget estimate, and $1,823,000 more than was provided in the House bill.

The Committee's recommendation includes $27,300,000 for Public Law 534 watershed and flood prevention operations and $150,000,000 for Public Law 566 small watersheds.

Also included in the Committee's recommendation is $5,000,000 for emergency watershed protection operations. This is the same as the level requested in the budget. The Committee intends to provide additional funding in the 1984 supplemental appropriations bill to address the urgent needs due to spring flooding and severe weather. Should additional funding beyond that provided be required, the Committee will expect the Department to submit a supplemental request for the necessary funds.

The Committee concurs with the House provision to earmark $4,100,000 of Public Law 534 funds for continuation of the joint SCS-Corps of Engineers project begun last year to alleviate flood and drainage problems in the Yazoo River basin. The Committee will expect quarterly reports from the Department on the progress of this project. The Committee also expects the Department to assist Tuscombia and Town Creeks in whatever way possible to alleviate problems caused by recent flooding.

The Committee is also recommending concurrence with the House bill language requiring at least 20 new construction starts under the Public Law 566 program and at least 5 new starts under the Public Law 534 program.

The Committee notes that SCS has estimated that maintaining the fiscal year 1984 funding level for watershed construction will support about 13,000 more 1-year jobs than the funding level assumed in the budget.

RESOURCE CONSERVATION AND DEVELOPMENT

1984 appropriation	$26,000,000
1985 budget estimate	
House allowance	[1] 25,740,000
Committee recommendation	26,000,000

[1] Reflects a 1-percent reduction of $260,000, as required by section 629.

The Soil Conservation Service has general responsibility for assisting local sponsoring groups accelerate planning and development of land and water resources in multiple county areas. Projects may include such measures as flood prevention; developing water resources for recreation, wildlife, agricultural, municipal, or industrial use; conservation planning and establishment on individual land units; improving recreation facilities, including historical and scenic attractions; encouraging new industries to locate in the area and to process products of the area; improving markets for crop and livestock products; upgrading and protecting the quality of the environment; and long-range planning to coordinate public efforts in the area.

Activities include investigations and surveys to help develop programs and plans of land conservation and utilization, technical services and financial assistance to sponsors, local groups, and individuals, and making loans for resource improvements and developments in approved projects. The Farmers Home Administration administers the loan program.

COMMITTEE RECOMMENDATIONS

For the Resource Conservation and Development (RC&D) program for fiscal year 1985, the Committee recommends an appropriation of $26,000,000. This is the same amount that was provided in 1984, $26,000,000 more than the budget estimate, and $260,000 more than was provided in the House bill.

The Committee does not concur in the earmarking of $350,000 for a special interest project in the State of Oklahoma. The Committee, however, does concur in the bill language prohibiting the use of any funds in the bill for the purpose of phasing out the RC&D program in fiscal year 1985. This is consistent with the position of the Congress in fiscal year 1984.

GREAT PLAINS CONSERVATION PROGRAM

1984 appropriation	$21,315,000
1985 budget estimate	16,773,000
House allowance	[1] 21,101,850
Committee recommendation	21,315,000

[1] Reflects a 1-percent reduction of $213,150, as required by section 629.

This program provides cost-sharing assistance and technical services to participating landowners or operators in the Great Plains area in the

development and installation of long-term conservation plans and practices for their land. It is a voluntary program which complements other conservation programs of the Department in 519 designated counties of 10 Great Plains States. Contracts with individual landowners range from 3 to 10 years.

Program regulations provide that cost-share rates offered in any contract shall not exceed 80 percent of the cost of installing eligible practices within the designated county. The rates vary among States and practices because of differences in conservation and program needs. Cost-sharing for irrigation practices in any one contract shall not exceed $10,000. There is also a cost-sharing limitation of $35,000 for any contract.

COMMITTEE RECOMMENDATIONS

For the Great Plains conservation program for fiscal year 1985, the Committee recommends an appropriation of $21,315,000. This is the same amount provided in 1984, $4,542,000 more than the budget estimate, and $213,150 more than was provided in the House bill.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

1984 appropriation	$190,000,000
1985 budget estimate	80,000,000
House allowance	188,100,000
Committee recommendation	190,000,000

Reflects a 1-percent reduction of $1,900,000, as required by section 629.

The primary objectives of the agricultural conservation program (ACP) are: (1) to encourage farmers and ranchers to carry out long-term conservation measures that emphasize enduring conservation benefits, (2) to achieve desirable land-use adjustments, and (3) to provide community benefits and the general improvement of the total environment through a combination of economically sound public and private investments.

The authorizing legislation allows cost sharing with farmers and ranchers on both an annual and long-term basis. The program emphasis has been on meeting some of the more pressing farm-related conservation and environmental problems in rural areas, on practices for long-range protection of the environment, and on practices that provide substantial benefits to the public at the least possible cost.

The program is administered in each county by the ASCS county committee, with review and approval by State ASCS committees and in consultation with other agencies. The committees request and receive approval for cost-sharing practices best suited to meet the needs of their area.

COMMITTEE RECOMMENDATIONS

For the agricultural conservation program (ACP) for fiscal year 1985, the Committee recommends an appropriation of $190,000,000. This is the same amount that was provided in 1984, $110,000,000 more than the budget estimate, and $1,900,000 more than was provided in the House bill.

For the agricultural conservation program, as the Committee recommended for technical assistance under the Soil Conservation Service, the funds used for targeting should not exceed 10 percent of the appropriated funds.

The Committee agrees with the House objection to the Department's action in fiscal year 1984 of spending $20,000,000 in ACP appropriated moneys for an acreage conservation special project. While the Committee does not object to the project itself, the funding of this program is a deviation from normal ACP procedure. Special projects of this magnitude should be carried out only if funds are specifically requested for that purpose. Funds should not be diverted from the traditional ACP program without the advice and consent of the appropriate committees of Congress.

The administration requested bill language which would exempt long-term agreements from the $3,500 annual payment limitation to individual farmers. The $3,500 annual payment limitation has been found to limit the effectiveness of long-term conservation contracts. The Committee recognizes this problem, but believes some cost limitation should be retained. The Committee, therefore, recommends bill language which will limit all agreements to an average annual limitation of $3,500 (with the exception of an agreement where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community). This will retain the $3,500 limitation on 1-year agreements, but will allow long-term agreements to exceed the limitation in any one year, provided that the cost over the life of the agreement does not exceed an average annual cost of $3,500. This flexibility should result in a more effective program.

FORESTRY INCENTIVES PROGRAM

1984 appropriation	$12,500,000
1985 budget estimate [1]	
House allowance	[2] 12,375,000
Committee recommendation	12,500,000

[1] The fiscal year 1985 budget proposed a consolidation of the forestry incentives program with the agricultural conservation program.

[2] Reflects a 1-percent reduction of $125,000, as required by section 629.

This program is authorized by section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103). The primary objective of cost-sharing for timber production is to increase the supply of sawtimber on nonindustrial private land.

COMMITTEE RECOMMENDATIONS

For the forestry incentives program (FIP) for fiscal year 1985, the Committee recommends an appropriation of $12,500,000. This is the same amount provided in 1984, $12,500,000 more than the budget estimate, and $125,000 more than was provided in the House bill. The Committee rejects the administration's proposal to include this program in a consolidated agricultural conservation program in fiscal year 1985.

WATER BANK PROGRAM

1984 appropriation	$8,800,000
1985 budget estimate [1]	
House allowance	[2] 8,712,000
Committee recommendation	8,800,000

[1] The fiscal year 1985 budget proposed a consolidation of the water bank program with the agricultural conservation program.
[2] Reflects a 1-percent reduction of $88,000, as required by section 629.

The program is authorized by the Water Bank Act, approved December 19, 1970, and amended by Public Law 96–182, approved January 2, 1980, to preserve the wetlands of the Nation.

The Secretary of Agriculture enters into agreements with landowners and operators for the conservation of specified wetlands, and carries out the program in harmony with wetlands programs administered by the Secretary of the Interior, utilizing the technical and related services of appropriate State, Federal, and private conservation agencies to assure proper coordination.

COMMITTEE RECOMMENDATIONS

For the water bank program for fiscal year 1985, the Committee recommends an appropriation of $8,800,000. This is the same amount as was provided in 1984, $8,800,000 more than the budget estimate, and $88,000 more than was provided in the House bill. The Committee rejects the administration's proposal to include this program in a consolidated agricultural conservation program in fiscal year 1985.

EMERGENCY CONSERVATION PROGRAM

1984 appropriation	$7,000,000
1985 budget estimate [1]	
House allowance	
Committee recommendation	

[1] The fiscal year 1985 budget proposed a consolidation of the emergency conservation program with the agricultural conservation program.

This appropriation provides special funds for sharing the cost—up to 80 percent—of emergency measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The program is authorized by the Agricultural Credit Act of 1978.

Assistance is made available to correct new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly

to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

COMMITTEE RECOMMENDATIONS

For the emergency conservation program for fiscal year 1985, the Committee recommends no appropriation in this bill. The Committee intends to provide additional funding in the 1984 supplemental appropriations bill to address the urgent needs due to spring flooding and severe weather. Should additional funding beyond that provided be required, the Department is expected to promptly submit a supplemental budget request sufficient to meet the needs for farmlands and rangelands.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

1984 appropriation	
1985 budget estimate	$12,550,000
House allowance	
Committee recommendation	

The proposed appropriation "Colorado River Basin Salinity Control Program" will fund activities authorized by section 202 of title II of the Colorado River Basin Salinity Control Act of 1974 (Public Law 93–320), as amended by proposed legislation. The proposed program would be a cooperative endeavor by the Agricultural Stabilization and Conservation Service (ASCS), Soil Conservation Service (SCS), and Extension Service (ES). It consolidates into one appropriation salinity control activities currently carried out by these agencies under various accounts.

The purpose of the program is to assist landowners and others in the Colorado River Basin in establishing on-farm irrigation management systems and related lateral improvement measures to decrease the salt load and sedimentation level in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico.

COMMITTEE RECOMMENDATIONS

The Committee has not recommended funding for the proposed Colorado River Basin Salinity Control Program, since authorizing legislation has not been enacted into law. When enacted, the Committee will consider a request for supplemental appropriations when submitted by the administration.

The present Salinity Control Program in the Uintah Basin in Utah and the Grand Valley in Colorado has been funded out of funds appropriated to ASCS for the ACP and to SCS for river basin studies and conservation operations. The Committee recommends that USDA continue both projects at the current level pending authorization of the new program.

TITLE III—DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953.

The Food and Nutrition Service administers food assistance programs which provide access to a more nutritious diet for persons with low incomes and encourage better eating patterns among the Nation's children. The programs are:

Food stamp program.—Food stamps are issued to eligible low-income households to enable them to obtain a better diet by increasing their food purchasing power. The Food and Nutrition Service administers the program in cooperation with State welfare agencies and provides for the full cost of the food stamps themselves in addition to sharing all direct and indirect administrative costs incurred by the States on a 50–50 basis. If, however, States reduce their error rates below the 5-percent level, they are eligible to receive enhanced funding up to 60 percent. In addition, States may receive up to 75 percent for their costs incurred in developing food stamp computer systems and 75 percent for the costs of fraud investigations and prosecutions. Funds for this program are provided by direct appropriation.

Child nutrition programs.—The child nutrition programs—the national school lunch, school breakfast, summer food service, and child care food programs—provide funding for the service of nutritious meals to needy children and other children attending schools, child care institutions, and summer recreational programs as a means of safeguarding the health and proper physical development of the Nation's children. The Food and Nutrition Service works through State agencies, providing them with cash and commodities for use in preparing and serving meals, and administers the various child nutrition programs directly in cases where the State has chosen not to administer the programs. Funds for these programs are provided by direct appropriation and transfer from section 32.

Special milk program.—The special milk program provides funding for milk service in nonprofit child care centers, and camps that have no other federally assisted food programs. The milk is provided to children at little or no cost. The Food and Nutrition Service provides cash subsidies to State-administered programs and directly administers the pro-

gram in 17 States. Funds for this program are provided by direct appropriation.

Special supplemental food programs.—The Food and Nutrition Service administers two programs which provide supplemental foods to pregnant, postpartum, and breast-feeding women, infants, and young children—the special supplemental food program (WIC) and the commodity supplemental food program.

In the WIC program, pregnant, postpartum, and breast-feeding women and infants and children up to 5 years of age who are found to be at nutritional risk receive supplemental foods from their local health clinics. State departments of health receive cash grants from the Food and Nutrition Service for this activity. Twenty percent of the total program funding is provided to the States for State and local administrative costs. Funds for this program are provided by direct appropriation.

The commodity supplemental food program provides supplemental food to a target population similar to that of the WIC program. The foods, however, are purchased directly by the Department of Agriculture and distributed to eligible women, infants, and children through State and local agencies. The Food and Nutrition Service provides cash assistance to distributing agencies to offset their operating expenses at 15 percent of the funds appropriated for commodities. Congress gave USDA authority to operate elderly feeding pilot projects (EFPP) in three locations. Using CSFP local agency sites and various commodities provided through CSFP, these pilot projects focus on volunteer delivery of food packages to homebound elderly persons.

Funds for these programs are provided by direct appropriation.

Food donations programs.—The food donations programs provide nutritious agricultural commodities to eligible low-income persons residing on or near Indian reservations and in the Trust Territory of the Pacific. The Food and Nutrition Service provides distributing agencies with cash assistance to help them defray the administrative expenses incurred.

The Food and Nutrition Service also provides commodities and cash in lieu of commodities to the States for the elderly feeding program, which provides meals in senior citizens' centers and similar settings. These meals are the focal point in nutrition projects for the elderly, which promote good nutrition and reduce the isolation of old age.

Funds are provided by direct appropriation.

Nutrition assistance for Puerto Rico.—As a result of the Omnibus Reconciliation Act of 1981, the Food and Nutrition Service now provides the Commonwealth of Puerto Rico with a nutrition assistance block grant, which gives the Commonwealth broader flexibility to establish a food assistance program specifically tailored to the needs of its low-income households. Beginning July 1, 1982, the Commonwealth has been providing food assistance to low-income households in the form of cash grants, rather than coupons. The Omnibus Budget Reconciliation Act of 1982 prohibited the use of cash for nutrition assistance in the Commonwealth after fiscal year 1983. The continuing appropriations for

fiscal year 1984 approved October 1, 1983 postponed the effective date of the noncash provision until January 1, 1984, and Public Law 98-204 postponed the effective date until September 30, 1985. Funds for this program are provided by direct appropriation.

Food program administration.—This account provides for the salaries and operating expenses of the Food and Nutrition Service. Headquarters of the Service is at the Park Office Center, Alexandria, Va. The Food and Nutrition Service maintains the following seven regional offices: Burlington, Mass.; Robbinsville, N.J.; Altanta, Ga.; Chicago, Ill.; Dallas, Tex.; Denver, Colo.; and San Francisco, Calif. On September 30, 1983, there were 2,171 full-time permanent and 129 part-time and temporary employees in the agency. Of these, 1,070 employees were located in the seven regional offices and 689 in the Alexandria headquarters. In addition, 541 employees were stationed in 127 field locations including 37 food stamp compliance offices, 1 data processing center, 7 administrative review offices, and 82 field offices.

CHILD NUTRITION PROGRAMS

	Appropriation	Transfer from sec. 32	Total
1984 appropriation [1]	$1,251,463,000	($2,307,295,000)	($3,558,758,000)
1985 budget estimate	1,454,147,000	(2,301,833,000)	(3,755,980,000)
House allowance [2]	1,460,112,390	(2,306,520,810)	(3,766,633,200)
Committee recommendation	1,474,861,000	(2,329,819,000)	(3,804,680,000)

[1] Includes $545,544,000 provided in Public Law 98-332.
[2] Reflects a 1-percent reduction of $38,046,800, as required by section 629.

The child nutrition appropriation of the Food and Nutrition Service funds the activities authorized by the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended.

These involve the following child nutrition programs:

1. Cash payments to States.—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are made available under letters of credit to State agencies for use in reimbursing participating schools and other institutions. Sponsors make application to the State agencies, and if approved, are reimbursed on a per meal basis in accordance with the terms of their agreement and rates prescribed by law.

(a) School lunch program.—Assistance is provided to the States for service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant from sources within the State. In fiscal year 1984, the school lunch program will provide assistance for serving an estimated 3,860,000,000 school lunches including 1,868,000,000 for children from middle- and upper-income families and 1,992,000,000 for children from low-income families. An estimated 23,400,000 children are expected to participate in the program daily during the school year.

(b) Special assistance for free and reduced price lunches.—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children. In fiscal year 1984, the program will

provide assistance for about 1,992,000,000 lunches, of which 1,737,000,000 will be served free of charge, and 255,000,000 at reduced price. Approximately 12,100,000 needy children will participate in the program on an average school day during the year.

(c) School breakfast program.—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or at the general rate for those served to nonneedy children. Certain schools, designated in severe need, receive higher rates of reimbursement in both the free and reduced price categories. In fiscal year 1984, the program will serve an estimated 590,000,000 breakfasts to a daily average of 3,600,000 children.

(d) State administrative expenses.—The funds may be used for State employee salaries, benefits, support services, and office equipment. Public Law 95–627 made the State administrative expenses grant equal to 1½ percent of Federal payments in the second previous year.

(e) Summer food service program.—Meals served free to children in poor areas during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Local administrative expenses are reimbursed at negotiated rates, and State administrative expenses are supported with a grant of percentage of funds distributed to the State in the preceding fiscal year.

(f) Child care food program.—Preschool children receive year-round food assistance in nonprofit child care centers and family and group day care homes under this program. Public Law 97–35 permits profit-making child care centers receiving compensation under title XX of the Social Security Act to participate in the program if 25 percent of the children served are title XX participants. The child care food program reimburses State agencies at varying rates for breakfasts, lunches, suppers, and meal supplements and for program related State audit expenses.

2. Commodity procurement.—The program provides commodities to schools for the lunch and breakfast programs, and to institutions in the child care and summer feeding programs. Commodities are also acquired under programs that strengthen markets, income, and supply (section 32 funds).

3. Nutrition studies and education.—

(a) Nutrition studies and surveys—In fiscal year 1984, the funds appropriated for this purpose will be used for various studies, including evaluation of school nutrition programs; study of management practices as they relate to commodity donations for the child nutrition programs; a national study of school food purchases; and an evaluation of the commodity processing contract program.

(b) Nutrition education and training.—Public Law 95–166 instituted a program of grants to the States for nutrition education in schools. In fiscal year 1985, $5,000,000 will be made available to the States for nutrition education.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs for fiscal year 1985, the Committee recommends an appropriation of $1,474,861,000, plus transfers from section 32 of $2,329,819,000 for a total program of $3,804,680,000. This is $245,922,000 more than the fiscal year 1984 program level, $48,700,000 more than the budget estimate, and $38,046,800 more than was provided by the House.

The Committee's recommendation provides for the child nutrition programs at the following annual rates:

Total obligational authority

Child nutrition programs:	*Amount*
School lunch program	$505,400,000
Special assistance	2,209,180,000
School breakfast program	393,800,000
State administrative expenses	45,530,000
Summer food program	112,500,000
Child care food program	392,800,000
Commodity procurement	138,000,000
Nutrition studies and surveys	2,470,000
Nutritional education and training	5,000,000
Total	3,804,680,000

The funding level requested in the budget assumed enactment of several legislative proposals which would have produced an estimated $48,700,000 in savings. Because these proposals have not been acted upon, the Committee has provided the currently estimated level of funding required to fully fund the child nutrition programs, including $5,000,000 for the nutrition education and training grant program.

The Committee has not included language proposed by the House which makes certain funds available only upon the submission of a budget request for those funds. The Committee has rejected language proposed in the budget which would prohibit the use of funds appropriated under this account for program costs incurred by the Marshall Islands and the Federated States of Micronesia. The budget had assumed the enactment of a new grant program to provide nutrition assistance in these areas. In addition, the Committee has continued to fund meals served to participants in the Head Start program under this account.

In fiscal year 1980, the Department received permission to shift appropriations from the child nutrition account to pay for a shortfall in the food stamp account. In subsequent appropriation bills, that initial shortfall was never made up, nor was sufficient funding requested to offset this shortfall. Instead, delayed payments have been made by the Department. School districts are paid for meals served in one fiscal year from appropriations provided for the subsequent fiscal year. This so-called shortfall had grown to an estimated $338,000,000 in fiscal year 1983. The Committee will expect the Department of Agriculture to submit a supplemental request for fiscal year 1985 that will be sufficient to make up this shortfall.

SPECIAL MILK PROGRAM

1984 appropriation	$11,920,000
1985 budget estimate	17,600,000
House allowance	[1] 17,424,000
Committee recommendation	17,600,000

[1] Reflects a 1-percent reduction of $176,000, as required by section 629.

The special milk program was originally designed to encourage the consumption of fluid whole milk by children in nonprofit schools of high school grade or under, summer camps, and similar institutions. The authority for the program is section 3 of the Child Nutrition Act of 1966.

The Omnibus Budget Reconciliation Act of 1981 limited participation in the special milk program to schools which do not participate in a meal service program authorized under the National School Lunch Act or the Child Nutrition Act of 1966. Currently, funds are provided to State agencies to reimburse participating institutions for a part of the cost of fluid milk consumed by nonneedy children. Schools are reimbursed for the full cost of milk served free to needy children. Reimbursement rates for milk served to nonneedy children are adjusted on July 1 of each year based on changes in the producer price index for fresh processed milk.

COMMITTEE RECOMMENDATIONS

For the special milk program for fiscal year 1985, the Committee has provided $17,600,000 to fully fund the program in those institutions which remain eligible. This is $5,680,000 more than the amount provided in 1984, the same as the budget estimate, and $176,000 more than the House allowance. The appropriation of $17,600,000, combined with $1,894,000 of carryover funds from fiscal year 1984, will allow for a total program of $19,494,000 for fiscal year 1985.

FEEDING PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

1984 appropriation	[1] $1,360,000,000
1985 budget estimate	1,254,288,000
House allowance	[2] 1,241,745,120
Committee recommendation	1,471,000,000

[1] Includes $300,000,000 appropriated in Public Law 98-332.
[2] Reflects a 1-percent reduction of $12,542,880, as required by section 629.

The special supplemental food program (women, infants and children—WIC) is authorized by section 17 of the Child Nutrition Act of 1966, as amended. The program makes funds available to local health clinics through State departments of health and to Indian tribes to provide supplemental foods to low-income pregnant and lactating women, infants and children up to 5 years of age. The participants must be determined by medical or nutritional professionals to be at nutritional risk due to low income and inadequate nutrition.

COMMITTEE RECOMMENDATIONS

For the special supplemental food program for women, infants, and children (WIC) for fiscal year 1985, the Committee recommends an appropriation of $1,471,000,000. This is $111,000,000 more than was provided in 1984, and $216,712,000 more than the budget estimate and $229,254,880 more than was provided in the House bill.

The Committee believes that the WIC program may be the most effective nutrition assistance program administered by the Department. Recent studies of the WIC program have found a significant correlation between program participation and a reduction in the incidence of low birth weight infants. Other studies indicate that children entering the WIC program with a low-nutritional status are markedly improved by the program. The WIC program's impact on infant mortality, chronic ill health, birth defects, and subnormal development averts major medical expenditures and reduces outlays in programs such as medicaid, social security income for the disabled, and special education.

The budget assumed participation in the WIC program would average 2.8 million in fiscal year 1984 and would decline to 2.7 million in fiscal year 1985. Participation during fiscal year 1984 has averaged significantly higher than that assumed in the budget. The Committee does not support a reduction in average participation by almost 300,000 persons, nor does it believe such a reduction to be justified. Further, the Committee notes that the budget underestimated the costs of the WIC food package. The funding level provided by the Committee should be adequate to maintain participation levels in the WIC program.

The Committee has rejected the proposal of the House to provide only partial-year funding for the WIC program. The Committee notes that partial-year funding unnecessarily complicates the management of the program for the States. States and local WIC clinics need to know at the beginning of the fiscal year what funding will be available to them for the complete year, so that they can best manage their caseloads. The funding crises that have resulted from the partial-year funding in this program benefit neither the program participants nor the program's managers, and do nothing to reduce the eventual cost of the program.

As the Committee has stated in the past, the Secretary is required to allocate—in addition to the funds provided under this bill—any unspent funds carried over from the previous fiscal year. These funds are to be recovered and redistributed as expeditiously as is possible. The Secretary is also required to periodically reallocate fiscal year 1985 funds during the fiscal year, so that the funds appropriated for fiscal year 1985 may be fully utilized. The Committee will expect that in allocating funds available for the WIC program in fiscal year 1985 (including both new appropriations and unexpended funds from fiscal year 1984) priority is to be given to guaranteeing stability in State participation levels.

The Committee has not included language proposed in the budget which would limit administrative expenses under the program to 18

percent of the total program costs. This is a legislative issue to be addressed by the authorizing committee.

The Committee notes considerable concern expressed by the State WIC Directors Association over the problems they experience in the management of their caseloads and level of expenditures under the WIC program. Because of the nature of the voucher system used for distributing benefits under the WIC program, States are often unable to know their exact expenditure levels for a fiscal year until several months after the fiscal year is completed. In order to avoid overspending, States are often forced to reduce participation by terminating eligible mothers and children only to find later that sufficient funds were available to maintain participation. As a result, 2 to 3 percent of the funds appropriated for any given fiscal year go unspent in the fiscal year for which they are appropriated, participants are unnecessarily terminated from the program, and funds are then redistributed in the next fiscal year. In order to correct this problem, the Committee will expect the Department to permit up to 2 per centum of the funds allocated to any State for fiscal year 1985 to be expended for expenses incurred by such State for supplemental foods in fiscal year 1984. Funds may not be used to cover increased administrative expenses. This will add no cost to the program. The Committee stresses that the States which use fiscal year 1985 funds for this purpose should not assume that supplemental funding will be made available at a later date to fund any shortfall that results in their fiscal year 1985 allocation. The Committee will expect to be notified regarding what action has been taken to implement this directive.

COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)

1984 appropriation	$40,150,000
1985 budget estimate	23,004,000
House allowance	[1] 24,668,820
Committee recommendation	24,918,000

[1] Reflects a 1-percent reduction of $249,180, as required by section 629.

The commodity supplemental food program (CSFP) provides supplemental foods to infants and children up to age 6, and to pregnant, postpartum and breast-feeding women who are at nutritional risk and with low incomes who reside in approved project areas.

COMMITTEE RECOMMENDATIONS

For the commodity supplemental food program, the Committee recommends an appropriation of $24,918,000, $15,232,000 less than the amount appropriated for fiscal year 1984, $1,914,000 more than the budget request, and $249,180 more than was provided by the House.

The Committee notes that the actual program level for the commodity supplemental food program for fiscal year 1984 is $35,601,000. The appropriation provided by the Committee, in addition to $13,082,000 expected to carry over from fiscal year 1984, will provide for a program level of $38,000,000 for fiscal year 1985. The Committee concurs in the directive of the House that should the level of carryover funds be less

than anticipated, the Department will be expected to submit a supplemental funding request sufficient to provide a fiscal year 1985 program level of $38,000,000.

The Committee's recommendation includes not less than $1,350,000 for the senior citizen commodity supplemental projects in Detroit, New Orleans, and Des Moines. The Committee will expect the Department to make available sufficient funding to at least support current participation in these programs.

The Committee concurs in the House bill language that will make administrative funds available to the States in an amount equal to that which the States would have received if the entire program for fiscal year 1985 had been financed from new appropriations.

FOOD STAMP PROGRAM

1984 appropriation	[1] $10,916,705,000
1985 budget estimate	10,797,573,000
House allowance	[2] 10,689,597,270
Committee recommendation	11,450,000,000

[1] Excludes requested supplemental of $308,037,000.
[2] Reflects a 1-percent reduction of $107,975,730, as required by section 629.

The food stamp program, which is authorized through September 30, 1985, by the Food Stamp Amendments of 1982, helps individuals and families with low incomes to obtain a more nutritious diet. Eligible participants receive food stamp allotments based on their household size and net income after provision has been made for certain deductions. The food stamps increase the food purchasing power of eligible households and thus enable them to attain a better diet than would have been possible without the assistance of the food stamp program.

The food stamp program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food stamps whose value is determined by household size and income. The cost of the coupons is paid by the Federal Government and is called benefit cost. As required by law, the food stamp allotments for the various household sizes are periodically revised to reflect changes in the cost of the thrifty food plan. The last revision was made on October 1, 1983.

The State social service agencies are responsible for certifying eligible households and issuing the food stamps. Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to the Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department.

In fiscal year 1984, an average of between 20,700,000 and 21,300,000 persons are expected to participate in the program monthly and receive bonus coupons worth an average of $42.58 each month.

COMMITTEE RECOMMENDATIONS

For the food stamp program, the Committee recommends an appropriation of $11,450,000,000. This is $533,295,000 more than was provided in 1984, $652,427,000 more than the budget estimate and $760,402,730 more than was provided in the House bill. The Committee notes, however, that an additional $700,000,000 will be required for the remainder of fiscal year 1984.

The Committee notes that the budget request was predicated on substantial legislative changes in the food stamp program. These legislative changes have yet to be enacted into law, and the Committee believes that it would be inappropriate to assume the legislative savings. The Committee also rejects the House bill language which would fund the program only through September 7, 1985. The level provided by the Committee represents the Congressional Budget Office's current estimate of the appropriation necessary to fully fund the food stamp program for fiscal year 1985. This estimate is based on current economic and participation assumptions. Should these assumptions prove wrong, the actual cost of the food stamp program may be impacted significantly. Because of this uncertainty, the Committee directs that no action be taken by the administration to reduce benefit levels in accordance with section 18(b) of the Food Stamp Act without the Congress being given ample opportunity to consider required supplemental funding. The Committee strongly believes that program participants should not suffer benefit reductions due to misestimates of program cost.

The Committee concurs in the direction of the House that no action be taken to administratively change the current method for calculating household economies of scale. Changes could have severe impact on certain households, especially those households containing elderly people. The Committee notes that the President's task force on food assistance recommended that food stamp benefits be raised by increasing the full allotment to equal 100 percent of the thrifty food plan and justified this proposal by stating that many households cannot tolerate any reduction in purchasing power—no matter how small that reduction might be. The Committee shares the concern expressed by the task force and, therefore, directs that no action be taken to change the current method of calculating household economies of scale.

The Committee is concerned by the continuing reports of hunger in this country and by indications that in some cases hunger may result from shortcomings in administration of the food stamp program.

The President's task force on food assistance reported that while homeless persons are eligible for food stamps under the law, these persons cannot actually get stamps in many States. A number of States will provide stamps only to those persons to whom either the stamps or a food stamp authorization document can be mailed. Since homeless persons do not have a mailing address, they are blocked from program participation. The Committee directs the Department to implement the recommendation of the task force to remedy this situation by requiring all States to develop some method for providing stamps to homeless persons who are otherwise eligible.

The Committee is also concerned by recent reports that some States may be automatically removing households from the food stamp program when they are terminated from the AFDC program even though these households may still be eligible for food stamps. In most States, a working family well below the poverty line loses AFDC after its fourth month on the job, and in many areas, a family loses AFDC if the father returns. The Department's regulations prohibit automatic food stamp terminations. The regulations direct States to make a determination of whether or not a family is still eligible for food stamps before its benefits are cut off. The Committee will expect the Department to determine the status of compliance in the States and to insure that automatic terminations do not occur in any area.

Within 90 days, the Department should report to the Committee on the action it has taken to resolve the homeless issue and also to assure that needy households do not have their food stamps terminated when their AFDC benefits end.

Finally, the Committee is concerned by reports that the Department has under consideration a major revision of food stamp regulations. Many States which have reviewed drafts of these regulations believe their use would complicate program administration and could adversely affect recipients.

Many states also believe constant changes in program regulations would make the program more difficult to administer and would increase errors. Since the food stamp program will be considered for reauthorization next year, and changes will doubtless be made at that time, States have asked the Department to refrain from issuing these revisions of the food stamp regulations until the reauthorization legislation is passed. This would avoid putting the program through two separate sets of changes within a relatively short period of time. The Committee, therefore, will expect the Department to refrain from issuing these major changes in regulations. Whatever changes are necessitated by the reauthorization can be incorporated into a single set of regulatory revisions. Also, the Committee will expect the Department to insure that any regulatory revisions not complicate the program or impose new administrative burdens on States, and that they not effectively bar or delay benefits to needy households unless specifically required by changes to the current food stamp law.

NUTRITION ASSISTANCE FOR PUERTO RICO

1984 appropriation	$825,000,000
1985 budget estimate	825,000,000
House allowance	[1] 816,750,000
Committee recommendation	825,000,000

[1] Reflects a 1-percent reduction of $8,250,000, as required by section 629.

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) authorized a block grant for nutrition assistance to Puerto Rico which will give the Commonwealth broad flexibility to establish a food assistance program that is specifically tailored to the needs of its low-income households. Public Law 97–35 also authorized up to $825,000,000 per year to fund the grant.

In addition to direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the costs of administering the program. Further, the grant may be used to fund projects to stimulate and improve food production and distribution in Puerto Rico. Four such projects were approved in fiscal year 1983 and are continuing during fiscal year 1984.

COMMITTEE RECOMMENDATIONS

For nutrition assistance to Puerto Rico, the Committee recommends an appropriation of $825,000,000, the same amount appropriated for fiscal year 1984, the full amount of the budget request, and $8,250,000 more than was provided by the House. The Committee has restored the 1-percent reduction required by section 629.

In fiscal year 1983, the Committee notes that $23,500,000 of block grant funds were used to support activities other than providing direct food assistance to low-income households. Current law authorizes the use of a portion of these funds to support agricultural development activities and food distribution which will increase the self-sufficiency and nutritional standard of needy citizens. The Committee will expect to be kept informed of any additional use of these funds for other than food assistance purposes and will expect an explanation as to how these activities will meet the needs of needy citizens. More specifically, the Committee shares the House's concern over the $3,100,000 expenditure in fiscal year 1983 for a tick eradication program in Puerto Rico. While the Committee does not question the need for the eradication program itself, it does not feel that this appropriation to provide nutrition assistance for low-income households is the proper account from which to fund this program.

FOOD DONATIONS PROGRAMS

1984 appropriation	$166,936,000
1985 budget estimate	139,546,000
House allowance	[1] 138,150,540
Committee recommendation	141,146,000

[1] Reflects a 1-percent reduction of $1,395,460, as required by section 629.

The Agriculture and Consumer Protection Act of 1973, as amended (7 U.S.C. 612c (note)) provides for a directly funded food distribution program for needy families on Indian reservations and in the trust territory. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. This program also funds commodity support for elderly feeding programs under titles III and VI of the Older Americans Act of 1965. Donated foods are used in meals served in the senior citizens' centers or similar settings. States may elect cash in lieu of commodities.

COMMITTEE RECOMMENDATIONS

For the food donations programs for fiscal year 1985, the Committee recommends an appropriation of $141,146,000. This is $25,790,000 less than was provided in 1984, $1,600,000 more than in the budget estimate, and $2,995,460 more than the amount provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

An estimated $17,758,242 appropriated for the needy family program for fiscal year 1984 will not be needed, and Congress is considering a proposal to make these funds available in fiscal year 1985. The remainder of the difference between the fiscal year 1984 appropriation level and the Committee's recommendation for fiscal year 1985 is attributable to the availability of CCC commodity donations for the program. The program level for fiscal year 1985, despite decreased appropriations levels, will increase by $882,000 when the value of CCC donations is added. Should the $17,758,242 carryover balance not be realized, the Department should submit a supplemental appropriation request to make up for the shortfall.

The budget proposed transferring funding for the elderly feeding program to the Department of Health and Human Services. The Committee does not concur with this proposal and has provided $117,600,000 for the elderly feeding program for fiscal year 1985.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

1984 appropriation	$50,000,000
1985 budget estimate	50,000,000
House allowance	49,500,000
Committee recommendation	50,000,000

[1] Reflects a 1-percent reduction of $500,000, as required by section 629.

Title II of Public Law 98–8, enacted March 3, 1983, authorized and appropriated funds for costs of intrastate storage and transportation of CCC commodities donated to families. Public Law 98–92, enacted September 2, 1983, authorized $50,000,000 for this purpose in fiscal years 1984 and 1985.

Funds are administered by the Food and Nutrition Service through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rates and the number of persons with incomes below the poverty level.

In fiscal year 1983, over a billion dollars' worth of surplus commodities were distributed to assist needy individuals. Donations will continue in fiscal year 1984 and 1985. Precise levels will depend upon the availability of surplus commodities and requirements regarding displacement.

COMMITTEE RECOMMENDATIONS

For the temporary emergency food assistance program for fiscal year 1985, the Committee recommends an appropriation of $50,000,000. This is the same amount that was provided in 1984, the same amount as the budget estimate, and $500,000 more than the amount provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

FOOD PROGRAM ADMINISTRATION

1984 appropriation	[1] $81,352,000
1985 budget estimate	83,187,000
House allowance	[2] 82,355,130
Committee recommendation	83,187,000

[1] Excludes pay supplemental of $1,710,000.
[2] Reflects a 1-percent reduction of $831,870, as required by section 629.

The appropriation provides for the Federal operating expenses of the Food and Nutrition Service related to the administration of the child nutrition programs, special milk program, special supplemental food program (WIC), food stamp program, nutrition assistance for Puerto Rico, and food donations program.

COMMITTEE RECOMMENDATIONS

For food program administration for fiscal year ' 85, the Committee recommends an appropriation of $83,187,000. This is $1,835,000 more than was provided in 1984, the same as the budget estimate, and $831,870 more than the amount provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

HUMAN NUTRITION INFORMATION SERVICE

1984 appropriation	[1] $6,564,000
1985 budget estimate	7,496,000
House allowance	[2] 7,421,040
Committee recommendation	7,496,000

[1] Excludes pay supplemental of $34,000.
[2] Reflects a 1-percent reduction of $74,960, as required by section 629.

The Human Nutrition Information Service (HNIS) was established October 1, 1981, by the Secretary's memorandum No. 1000–1 issued pursuant to Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The functions of this agency were formerly carried out in the Agricultural Research Service. HNIS activities fall into one major category: Research, analysis, and technical assistance.

Research, analysis, and technical assistance is concerned with the conduct and interpretation of applied research in human nutrition to improve professional and public understanding of the nutritional adequacy of diets and food supplies as well as the nutritive value of food and to develop knowledge needed to improve the nutritional quality of diets, thereby improving the general health of the American public.

COMMITTEE RECOMMENDATIONS

For the Human Nutrition Information Service for fiscal year 1985, the Committee recommends $7,496,000. This is the same as the budget estimate, $932,000 more than was provided in fiscal year 1984, and $74,960 more than was provided in the House bill. The Committee has restored the 1-percent reduction required by section 629.

The Committee notes the criticism of the President's task force on food assistance regarding the available data on the nutritional status of Americans. The task force noted in its investigation that the lack of up-to-date data made it virtually impossible to make a scientific judgment on whether the nutritional status of the population or certain subgroups of the population had worsened in recent years. The Committee will expect HNIS to work with the Department of Health and Human Services, the Center for Disease Control, and other appropriate Federal and nongovernmental agencies in developing a specific plan to improve the available data on the nutritional status of the population. The Committee will expect to be kept informed of progress toward this end.

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

1984 appropriation	[1] $83,717,000
1985 budget estimate	83,291,000
House allowance	[2] 83,448,090
Committee recommendation	83,291,000

[1] Excludes pay supplemental of $266,000.
[2] Reflects a 1-percent reduction of $842,910, as required by section 629.

The Foreign Agricultural Service was established on March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. In Secretary's Memorandum No. 2001, dated November 27, 1979, the Secretary assigned to the Service, by transfer, the Office of the General Sales Manager which has responsibility for the agricultural commodity export programs and risk assurance programs.

The agency performs the following kinds of service functions:

—It maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade, which they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 74 posts located throughout the world covering some 110 countries.

—The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

—The Service develops foreign markets for U.S. farm products through effective market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build, and maintain overseas markets for U.S. agricultural products. The Agricultural Trade Act of 1978 includes authority to

establish up to 25 agricultural trade offices. Currently, 11 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

—The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities; then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

—The Service formulates policies and administers agricultural commodity export programs including: Public Law 480, which facilitates the sale of agricultural commodities on a long-term credit basis and the donation of agricultural commodities to foreign governments, intergovernmental and voluntary agencies, and the world food program; CCC export credit guarantee program; CCC short-term direct credit program; section 416 overseas dairy donations program; and export programs authorized by the Commodity Credit Corporation Charter Act (barter, sales from CCC-owned stocks, and export payments). In addition, the Service administers programs for receiving, compiling, and publishing data on export sales of specified agricultural commodities.

COMMITTEE RECOMMENDATIONS

For the Foreign Agricultural Service for fiscal year 1985, the Committee recommends an appropriation of $83,291,000. This is $426,000 less than was provided in 1984, the same as the budget estimate, and $157,090 less than the amount provided in the House bill.

The funding level provided by the Committee represents a 25-percent increase for the Foreign Agricultural Service over the fiscal year 1982 program level. Due to significant savings that will result from FAS discontinuing the purchase of LANDSAT data in fiscal year 1985, the level provided by the Committee will permit a $5,126,000 increase in the foreign market development activities of FAS. Approximately 50 percent of the proposed new activities will support the expansion of exports of value-added products. The Committee strongly supports the market development activities of the FAS. The expansion of agricultural exports has significant positive impact on both farm income and the economy in general.

The Committee is very supportive of the plans by FAS to develop potential U.S. export markets for value-added products. The Committee believes that high value and value-added product exports are essential to making the U.S. more competitive in world trade and expanding the agricultural trade surplus. Value-added products create jobs in virtually every element of the food chain, which benefits the U.S. economy as a

whole. The Committee is encouraged by the fact that agriculture—one of the few industries with a trade surplus—is aggressively pursuing an even higher level of export opportunities.

The Committee does not recommend concurrence with the House increase for analysis of LANDSAT data on the Soviet Union.

GENERAL SALES MANAGER

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

1984 allotment	($5,904,000)
1985 budget estimate	(6,025,000)
House allowance	[1](5,964,750)
Committee recommendation	(6,025,000)

[1] Reflects a 1-percent reduction of $60,250, as required by section 629.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 United States Code 714–714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC export credit guarantee program (GSM–102), (2) CCC export credit sales program (GSM–5), (3) Public Law 480, (4) section 416 overseas dairy donations program, and (5) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage or cause the export of U.S. agricultural commodities.

COMMITTEE RECOMMENDATIONS

For the General Sales Manager, the Committee recommends a transfer of $6,025,000 from Commodity Credit Corporation funds, an increase of $121,000 over the amount available for fiscal year 1984. This is the same level provided in the budget estimate and $60,250 more than contained in the House bill.

The Committee does not concur with the House action which would remove the General Sales Manager from the jurisdiction of the Foreign Agricultural Service. Because the General Sales Manager is responsible for encouraging exports for agricultural products, the Committee believes that this position should remain under the auspices of the agency responsible for developing and analyzing the markets for those products.

PUBLIC LAW 480

1984 appropriation	[1]$1,202,000,000
1985 budget estimate	1,355,000,000
House allowance	[2]1,192,950,000
Committee recommendation	1,355,000,000

[1] Includes $90,000,000 appropriated in Public Law 98–248 and $60,000,000 appropriated in Public Law 98–332.
[2] Reflects a 1-percent reduction of $12,050,000, as required by section 629.

Under Public Law 480, as amended, exports of available agricultural commodities are made to friendly countries. Factors determining com-

modity availability are productive capacity, domestic requirements, farm and consumer price levels, anticipated commercial exports, and adequate carryover. No commodity is available for disposition if it would reduce the domestic supply below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars, unless the Secretary determines that some part of the supply should be used for urgent humanitarian purposes. No commodities may be made available except upon a determination that adequate storage facilities are available in the recipient country at the time of exportation to prevent spoilage or waste and that the distribution will not be a substantial disincentive to the recipient country's domestic production. In carrying out this program, emphasis is placed on assistance to those countries that are determined to help themselves by improving their agricultural production and economic development.

Facilities and funds of the Commodity Credit Corporation are, by law, used in carrying out programs for exporting agricultural commodities. The law also authorizes appropriations to be made to cover the costs of such programs. When funds become available, advances are made to the Corporation for estimated costs. If the amounts appropriated are greater than actual needs, the excess is used to reduce future appropriation requests. Because of these various funding authorities, actual program levels vary from the amounts provided in the appropriations bill.

The following activities are currently being carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended:

1. Financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms (titles I and III) (7 U.S.C. 1701–1715, 1727–1727f).—Title I of the legislation authorizes sales for convertible foreign currencies and for dollars on credit terms, and for financing commodities exported under title III food for development programs. Sales for dollars or convertible foreign currencies may be made to foreign governments, or they may involve United States and foreign private trade entities. Credit terms as favorable to the United States as the economy of the foreign country will permit but not less than for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, are allowed under the legislation.

2. Commodities supplied in connection with dispositions abroad (Title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost to friendly nations and friendly peoples in times of famine or other emergency relief needs, to combat malnutrition, and to promote economic and community development in underdeveloped countries. The Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country. Each year, up to $7,500,000 of foreign currencies accruing under title I may be purchased from this appropriation to meet costs of self-help activities (other than personnel and administrative) of cooperating groups.

The authorization for agreements to finance sales and programs of assistance under Public Law 480 was extended through December 31, 1985, by Public Law 97–98, approved December 22, 1981.

COMMITTEE RECOMMENDATIONS

For Public Law 480 for fiscal year 1985, the Committee recommends an appropriation of $1,355,000,000. This is $153,000,000 more than was provided in 1984, the same as the budget estimate, and $162,050,000 more than the House bill. In the fiscal year 1984 supplemental appropriations bill, the Committee intends to provide an additional $175,000,000 for titles I and III, to remain available through fiscal year 1985.

Because the budget request for titles I and III is based on anticipated loan repayments and proceeds from sales, and because the shortfall of these estimates in recent years has caused the appropriated level to be inadequate, the administration requested a current, indefinite appropriation for the titles I and III program. This would allow funds to be expended to meet the authorized program level when receipts as projected in the budget request are not realized. The Committee, therefore, has recommended bill language authorizing a current, indefinite appropriation for the titles I and III program. The current estimated need for appropriated moneys is $705,000,000. The Committee recommends an appropriation of this amount and recommends bill language which would allow such additional funds to be appropriated as necessary to meet the congressionally approved program level. This shall be used only if receipts as projected in the budget request are not realized. The Committee expects to be notified promptly when such shortfall is foreseen.

The Committee recommends the appropriation of the full amount of the anticipated requirements. Should this fall short of actual needs, the Department should submit a supplemental budget request to make up for the shortfall.

The House approved a provision which would allow such funds as necessary to be transferred from the Commodity Credit Corporation (CCC) to finance exports under titles I and III. The House also reduced the appropriation level by $150,000,000, which will virtually assure a transfer of at least the same amount from CCC. The Committee does not concur with this action. It is the Committee's belief that this manner of appropriating funds masks the actual cost of the program, because funds will be required to be appropriated at some point in the future for reimbursement to the CCC for the amount of the transfer.

The Committee concurs in the House provision allowing only a 10-percent transfer between titles of the Public Law 480 program, rather than a 15-percent transfer as requested by the administration.

In accordance with the transfer authority of section 403(c) of Public Law 480, the Committee again notes that funds appropriated for title II to meet pressing humanitarian and development needs have been diverted to the title I concessional sales program. While the Committee believes the transfer authority provided under 403(c) can be and has

been appropriately used in the past, the Committee believes cost considerations alone are not sufficient justification for end-of-year transfers to title I. The Committee recommends that the Department use the funds appropriated for title II in a more timely and expeditious manner. However, should end-of-year funds be available due to title II savings, they should be carried over to the following fiscal year in accordance with the general provisions of the law (section 608, Public Law 97–370).

The Committee is also aware that on April 11, 1984, section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) was amended to allow surplus wheat and dairy products to be furnished for carrying out title II of Public Law 480, but that the administration has not yet developed or published program guidelines. The Committee believes that guidelines should be issued to enable voluntary organizations to use wheat and dairy surpluses under this authority.

EMERGENCY FOOD AID TO AFRICA

During fiscal year 1984, the Congress appropriated supplemental funds for emergency food assistance to Africa in response to extended drought and severe famine. The Committee will expect the Department to submit a complete report on the fiscal year 1984 expenditure of these supplemental funds, including the number and amounts of requests for aid, the types and tonnage of commodities supplied, the amount of funds obligated, and any other pertinent information concerning U.S. assistance. In addition, the Department in cooperation with AID should submit an assessment of the famine as of the end of fiscal year 1984 and an estimate of further extraordinary needs in Africa due to the famine. This report should be submitted as soon as possible after the fiscal year. The Committee wishes to make clear its intent to provide necessary U.S. assistance to those who are starving in drought-stricken areas of the world where the peop'e are unable to provide for themselves, and expects the Department to submit budget requests necessary to meet those needs.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

1984 appropriation	$5,016,000
1985 budget estimate	4,074,000
House allowance	[1] 3,538,260
Committee recommendation	5,574,000

[1] Reflects a 1-percent reduction of $35,740, as required by section 629.

The Office of International Cooperation and Development was established in May, 1978, and is responsible for coordinating, planning and directing the Department's programs in international development and technical cooperation in food and agriculture. The organization also manages international research activities formerly administered by the Science and Education Administration. This includes coordination of bilateral research.

The staff utilizes resources of Department of Agriculture agencies, and maintains close relationships with the Agency for International Development, other Government agencies, land-grant universities, and international organizations. Activities include technical assistance to developing countries, the arrangement of training of international participants in the United States and overseas, and the implementation of the development aspects of food assistance programs. Services provided are also financed by reimbursements of funds from AID, other institutions, and contracting nations.

COMMITTEE RECOMMENDATIONS

For the Office of International Cooperation and Development for fiscal year 1985, the Committee recommends an appropriation of $5,574,000. This is $558,000 more than was provided in 1984, $1,500,000 more than the budget estimate, and $2,035,740 more than the amount provided in the House bill. Of the difference between the House and Senate, $1,500,000 is for a scholarship program for middle-income countries, $500,000 is for the Caribbean Basin initiative, and the remainder is a result of the 1-percent across-the-board cut approved on the House floor.

AGRICULTURAL SCHOLARSHIPS FOR FOREIGN STUDENTS

In fiscal year 1984, the Department initiated a scholarship program for agricultural scientists and administrators from middle-income countries which have graduated from eligibility for scholarships funded through the Agency for International Development. This program was initiated as a result of a directive from this Committee and was funded by a $1,500,000 appropriation agreed to by the conferees on the fiscal year 1984 Agriculture appropriations bill. The selection of countries for this program is subject to the approval of the Foreign Agricultural Service, the State Department, and appropriate committees of Congress in order to prevent selection of countries which may be in direct agricultural trade competition with the United States. Six countries were chosen for the program in fiscal year 1984.

The program has already experienced exceptional success, despite its size. OICD is to be commended for its expeditious implementation of the program. The countries selected have demonstrated an enthusiastic response to the program. Despite the short leadtime, there was much competition for the limited number of scholarships. Agricultural representatives of those countries are encouraged by our willingness to offer this training.

Last year, the Committee cited this program as an avenue for the development of long-term friendships, scientific cooperation, and enhanced economic and trade relationships. There is much evidence that many of the students who go through programs sponsored by the United States have become directly involved in formulating and administering the agricultural policy of their respective nations. The knowledge of the American agriculture system and the friendships initiated

by this type of program will create goodwill and cooperation, as well as increased trade between our countries. It is especially important that we retain our training programs with developing nations, as they may one day be our strongest customers. Korea, for example, once a recipient of Public Law 480 assistance, is now the fifth largest market in the world for U.S. farm products. Korea has been one of the most enthusiastic nations chosen for this scholarship program. Officials there view the program as a means through which they can learn how to better handle the commodities we sell to them.

The Committee continues to envision this as a 3-year program and will expect the Department to proceed with the program under that assumption. The Committee will review the program following the third year to determine whether to extend it further.

TITLE V—RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The programs of the Food and Drug Administration (FDA) are designed to achieve consumer protection by insuring that foods are safe, pure, and wholesome; that human and animal drugs, biological products, and therapeutic devices are safe and effective; and radiological products and their operation do not result in unnecessary exposure to radiation.

To accomplish its mission, FDA sets food and product standards; evaluates the safety and efficacy of new drugs before they are marketed; conducts and sponsors research to detect health hazards and violations of consumer laws or regulations; informs business firms and consumers about FDA related topics; works with State and local agencies to develop programs that will supplement or complement those of FDA; maintains surveillance over foods, drugs, and electronic products to insure that they are safe, effective, and honestly labeled; and takes legal action where necessary to remove violative products from the marketplace and to prosecute firms or individuals that violate the law.

The programs in support of these objectives are encompassed within five budget activities: (1) foods, (2) drugs and devices, (3) radiological products, (4) National Center for Toxicological Research, and (5) program management.

SALARIES AND EXPENSES

1984 appropriation	[1] $360,410,000
1985 budget estimate	366,482,000
House allowance	[2] 368,450,280
Committee recommendation	372,072,000

[1] Excludes pay supplemental of $6,478,000, and excludes requests for buildings and facilities and for SLUC.
[2] Reflects a 1-percent reduction of $3,721,720, as required by section 629.

COMMITTEE RECOMMENDATIONS

For salaries and expenses for fiscal year 1985, the Committee recommends $372,072,000. This is $11,662,000 more than the amount appropriated in fiscal year 1984, $3,621,720 more than the House allowance, and $5,590,000 more than the budget estimate.

The Committee has restored $5,000,000 to this account by rejecting the administration's proposal to attach user fees to new drug applications and abbreviated new drug applications. The Committee is aware

the General Accounting Office (GAO) is initiating an investigation on the feasibility of new user charges on drug applications and hopes that the GAO will be able to complete its investigation and furnish the Committee a report prior to hearings on the fiscal year 1986 budget.

The Committee concurs with the House in providing $200,000 for at least two additional virologists to be recruited and assigned to processing antiviral drugs. Recent breakthroughs in the field of antiviral drugs show promise for the treatment of viruses ranging from the common cold to catastrophic encephalitis. Until recently, there has been little activity in the area of antiviral agents. With expanding activity in this field, it is important that FDA develop the resources to properly regulate these new chemical compounds.

Orphan drugs—The Committee strongly concurs with the House recommendation that the orphan drugs program be provided a total of not less than $3,000,000 in fiscal year 1985. The Orphan Drug Act makes clear the intent of Congress that expanded efforts be devoted to finding new treatments for rare diseases. That act not only provides incentives for private investment, but specifically authorizes increased Government funding of research projects on promising products. The Committee is pleased with the progress of this effort and of the response by small firms to the incentives provided in the Orphan Drug Act. FDA should continue to encourage research and development in this vastly important field and should make every possible effort to reduce the current backlog of approved grant applications. The Committee expects that the increase provided for orphan drugs will be used for additional extramural research and evaluation grants.

Contingency fund.—The Committee has learned that $459,000 of the contingency fund appropriated for FDA in 1984 has been expended for unplanned FDA activities related to ethylene dibromide contamination of food products. The Committee assumes that any unused funds from the 1984 contingency fund will revert to the Treasury at the end of the year.

Should an emergency arise in 1985 that would justify the use of contingency funds, the Committee expects that the contingency fund appropriated in 1983 which was made available until expended would be utilized to meet such needs. If that occurs, the Committee will expect a prompt request for the replenishment of this fund, in order to avoid the possibility of the Food and Drug Administration's having insufficient resources to address a serious unforeseen public health and safety emergency.

Sulfiting agents.—In its report for fiscal year 1984, the Committee urged FDA to publish a final rule governing the use of sulfiting agents by the end of 1985. FDA has initiated certain actions during the preceding fiscal year, such as the appointment of an advisory committee, which make it appear unlikely that the agency can meet the deadline for a final rule by the end of the fiscal year 1985 as established by this Committee. It is still the Committee's intention that FDA continue to expedite the safety evaluation of sulfiting agents. The Committee will

expect FDA to report to it on: (1) the various regulatory options available to the agency, other than labeling, that could be used to institute an alert to the public of the potential health hazards from the consumption of sulfite-treated foods and beverages; (2) the FDA jurisdictional parameters associated with the labeling of sulfite-treated alcoholic beverages and restaurant food; and (3) a projected timetable for the final promulgation of regulatory action of sulfiting agents, should the current review demonstrate the need for regulatory action.

Diet pills.—The Committee remains concerned about the pace of FDA's safety and efficacy review of over-the-counter (OTC) weight control drugs containing phenylpropanolamine (PPA). An association has been suggested between PPA-based diet pills and cases of strokes and seizures among previously healthy dieters. FDA acknowledges that the reactions to PPA could be serious. The OTC panel on miscellaneous internal drug products has already recognized that PPA may pose a risk for persons suffering from high blood pressure. Moreover, approximately 15 million Americans do not know they suffer from high blood pressure and, thus, could not benefit from a labeling warning. Thus, the continued availability of PPA-based drugs on an OTC basis to these people could be potentially dangerous. Given the scope of the problem, the Committee directs FDA to take whatever steps are necessary to meet the agency's stated goal of issuing a final rule governing the availability of these drugs by the end of fiscal year 1985. Further, the Committee directs FDA to submit a report on its progress in this area by January 31, 1985.

Sodium labeling.—The Committee remains concerned about the level of progress in FDA's voluntary sodium labeling program, which includes quantitative labeling of sodium content in processed foods. In the 3 years that the program has been in effect, sodium labeling has risen from 13 percent to only 30 percent by early 1983. These results do not appear to support FDA's prediction that 50 percent of all processed foods would bear sodium labeling by early 1984.

In light of these results, the Committee directs FDA to report to the Committee on the latest information available with respect to the extent of voluntary sodium labeling and to include in this report a timetable showing when FDA expects that 50 percent of all processed foods will have sodium labeling. The report should also contain information on: (1) the current status of manufacturers' use of sodium chloride; (2) the use of label declarations; and (3) FDA's future intentions with respect to mandatory sodium labeling. The report should be submitted to the Committee by January 31, 1985.

Orange juice adulteration.—The Committee remains concerned over the problem of orange juice adulteration. While it has been noted that some progress has been made, the Committee believes the FDA needs to continue to focus its enforcement efforts on this problem and cooperate in every way possible with the citrus industry in an effort to reduce the economic harm resulting from adulteration.

Microbiological standards for processed potatoes.—The FDA has instituted an extensive survey of plants which process dehydrated potatoes in an effort to establish, in consultation with the industry, defect action levels for bacteria on processed potatoes. Considerable concern has been expressed over the FDA survey methodology. In addition, the National Academy of Sciences (NAS) is reviewing the applicability of microbiological quality standards and the agency's microbiological in-line criteria concept. Due to the concerns raised and the ongoing NAS review, the Committee will expect FDA to refrain from collecting further data samples and from setting new standards or action levels until after this Committee has had an opportunity to review the NAS report. This will provide the Committee an opportunity to carefully consider what this survey is designed to accomplish and what, if any, action FDA would contemplate based on the results of this survey.

Antibiotics in animal feed.—In 1978, the Food and Drug Administration proposed to severely restrict the subtherapeutic uses of penicillin and the tetracyclines for animal health purposes as a result of the theoretical possibility that these uses could conceivabiy lead to human health problems caused by antibiotic resistant bacteria. Due to the lack of definitive data associating theoretical scientific concerns about the use of antibiotics in animal feed with demonstrated human health problems, and the severe economic dislocation in the agricultural sector of our economy that would have resulted from the FDA proposal, the Committee directed FDA to contract with the National Academy of Sciences to review data on the subject, identify data gaps, and make recommendations for further action.

The National Academy of Sciences study, "The Effects on Human Health of Subtherapeutic Use of Antimicrobials in Animal Feeds" completed in 1980, concluded that, "The postulation concerning the hazards to human health that might result from the addition of subtherapeutic antimicrobials to feed have been neither proven nor disproven." The real question is whether or not antibiotic resistant plasmids from bacteria of animal origin make a measurable contribution to resistance in man, and what relationship that contribution bears to the resistance generated in man by human use of antibiotics. The National Academy of Sciences further concluded that no one study will resolve the issue. The Academy suggested four specific studies to broaden the scientific data base and fill identified gaps in knowledge on the subject. The overall recommendations of the Academy were less specific.

The report which accompanied the fiscal year 1981 Agriculture, Rural Development, and Related Agencies appropriations bill (H. Rept. 96–1095) directed FDA to initiate research following these specific suggestions by the Academy. FDA, with Committee knowledge and consent, initiated studies which addressed many of the areas that were suggested by the National Academy of Sciences.

Disagreement still exists in the scientific community concerning the issue of antibiotics in animal feed. The Committee is, therefore, concerned as to whether there will be sufficient information available for

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FDA to resolve the scientific issues concerning the use of antibiotics in animal feed. Therefore, the Committee wants to continue to monitor closely FDA's activities in this area before any further action is proposed or taken. Accordingly, the Committee directs FDA to: (1) fully review the results of the research currently being completed, and any other relevant information, and (2) report on FDA's conclusions and probable future actions in the context of this Committee's hearings on FDA's 1986 appropriations. Further, the Committee directs FDA not to propose or undertake any further action to restrict the use of antibiotics in animal feed until after the Committee has had an opportunity to consider this report.

Cardiac pacemaker registry.—The Deficit Reduction Act of 1984, which was recently signed by the President, included provisions for the establishment by FDA of a cardiac pacemaker registry. Cardiac pacemakers are one of the foremost examples of modern medical device technology which has saved and prolonged many lives. However, recent events concerning failures of electrical leads associated with some pacemakers have created concern that these devices need to be monitored more closely. The pacemaker registry, which is to be set up and operated by FDA, will record newly implanted pacemakers by brand, type, and other information which will assist both FDA and manufacturers in identifying possible problems as well as in taking action when problems are found. The new legislation also requires FDA to assist and monitor manufacturers in conducting additional testing on these devices when needed.

The Committee understands that the major resource requirement for FDA will be the establishment and operation of an automated registry system. However, the agency will also need increased staffing to monitor that system, to develop regulations and monitor compliance, and to monitor and assist manufacturers in product testing. Consequently, the Committee will expect FDA to assess the need for additional staff-years and submit a supplemental appropriation request sufficient to meet that need.

BUILDINGS AND FACILITIES

1984 appropriation	$4,875,000
1985 budget estimate	[1] 1,450,000
House allowance	[2] 1,435,500
Committee recommendation	1,450,000

[1] Requested under salaries and expenses ($1,450,000).
[2] Reflects a 1-percent reduction of $14,500, as required by section 629.

COMMITTEE RECOMMENDATIONS

The buildings and facilities account is established for repair and improvement of existing facilities and for the construction of new facilities. For fiscal year 1985, the Committee recommends $1,450,000. This is $3,425,000 less than the amount provided in 1984, the same as the budget request, and $14,500 more than the House provision. The Committee's recommendation includes sufficient funds for repair and improvement of existing facilities.

STANDARD LEVEL USER CHARGES, FDA

1984 appropriation	$22,164,000
1985 budget estimate	[1] 26,072,000
House allowance	[2] 25,811,280
Committee recommendation	26,072,000

[1] Requested under salaries and expenses ($26,072,000).
[2] Reflects a 1-percent reduction of $260,720, as required by section 629.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $26,072,000 for standard level user charges for the Food and Drug Administration. This is $260,720 more than provided in the House bill, the same as the budget request, and $3,908,000 more than the amount provided in 1984. The Committee concurs in the House provision allowing up to a 10-percent transfer between this account and the salaries and expenses account of FDA. The Committee expects to be notified prior to any such transfer.

COMMODITY FUTURES TRADING COMMISSION

1984 appropriation	[1] $26,400,000
1985 budget estimate	27,292,000
House allowance	[2] 27,019,080
Committee recommendation	27,292,000

[1] Excludes pay supplemental of $339,000.
[2] Reflects a 1-percent reduction of $272,920, as required by section 629.

The Commodity Futures Trading Commission (CFTC) was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended by the Commodity Futures Trading Commission Act of 1974 and the Futures Trading Act of 1978. The act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and to further the economic utility of futures markets by encouraging their efficiency, assuring their integrity, and by protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures markets contribute toward better planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance; market research and education; registration, audits and contract markets; and enforcement. CFTC activities are carried out in Washing-

ton, D.C., four regional offices located in Chicago, New York, Kansas City, and San Francisco; and a branch office located in Minneapolis.

COMMITTEE RECOMMENDATIONS

For the Commodity Futures Trading Commission for fiscal year 1985, the Committee recommends $27,292,000. This is $272,920 more than the amount provided in the House bill, the same as the budget request, and $892,000 more than the amount provided in 1984. The Committee has restored the 1-percent reduction required by section 629.

The Committee recommendation provides sufficient funds for 10 additional staff-years, which are to be assigned to the enforcement program.

The Committee is very interested and supportive of the agricultural options pilot program. The Committee expects the Commission to work with the Department of Agriculture and to make a concerted effort to educate farmers in dealing with agricultural options as a risk management tool. The Committee also expects to be kept informed of any significant developments in this pilot program.

The CFTC has begun delegating some of its registration responsibilities to the National Futures Association, which has been assuming certain CFTC auditing responsibilities since 1982. The Committee expects to be kept informed of any significant developments in the transfer of responsibilities to NFA.

The Committee concurs in House bill language allowing $2,957,000 for automated data processing. This is the full amount that CFTC estimates will be obligated in fiscal year 1985.

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

1984 limitation	($20,551,000)
1985 budget estimate	(22,092,000)
House allowance	[1](21,871,080)
Committee recommendation	(22,092,000)

[1] Reflects a 1-percent reduction of $220,920, as required by section 629.

The Farm Credit Administration is the independent Federal agency responsible for the regulation, supervision, and examination of the borrower-owned banks and associations that comprise the cooperative farm credit system.

Activities of the Farm Credit Administration include assistance in financing and investments, credit analysis, development of appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on agricultural credit and the services offered by the various institutions of the system. The administration also issues regulations governing the lending activities and operations of the institutions under its supervision.

The administration and the institutions under its supervision now operate under authorities contained in the Farm Credit Act of 1971,

Public Law 92–181, effective December 10, 1971, as amended by Public Law 96–592, effective December 24, 1980. The act provides for the farmer-owned cooperative system to make credit available to farmers and ranchers, for rural residences, and to cooperatives and other borrowers for farm related businesses upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and to consolidate existing farm credit law to meet current and rural credit needs.

All expenses of the activities and personnel of the Farm Credit Administration are paid by assessments collected from the banks of the farm credit system.

COMMITTEE RECOMMENDATIONS

For the limitation on administrative expenses of the Farm Credit Administration for fiscal year 1985, the Committee recommends $22,092,000. This is $1,541,000 more than the limitation in 1984, the same as the budget estimate, and exceeds the House allowance by $220,920. The Committee restored the 1-percent reduction required by section 629.

The Committee understands that a reversionary interest clause in deeds on lands which have been sold to farmers by the State of Alaska has caused some lenders to deny loans to farmers who own the land. The Committee will expect the FCA to work with the Department of Agriculture to review this reversionary clause and determine whether lands subject to this type of clause constitute sufficient collateral for loans made by the Farmers Home Administration and by Production Credit Association. The Committee expects to be provided with the results of this review and evaluation no later than September 30, 1984.

TITLE VI—GENERAL PROVISIONS

Sections 601 through 623 of the general provisions contained in the accompanying bill for fiscal year 1984 are essentially the same as those included in previous appropriations bills.

Section 624 directs the Farmers Home Administration to maintain its State office in Hilo, Hawaii, and prohibits the use of any appropriated funds to move the office from the Island of Hawaii to the Island of Oahu.

Section 625 exempts veterinarians from constraints on personal services contracts under existing law. This is further discussed in the report under the Animal and Plant Health Inspection Service account.

Section 626 is discussed in the report under Farmers Home Administration, Soil Conservation Service, and the Agricultural Stabilization and Conservation Service.

Section 627 is discussed in the report under the rural housing insurance fund of the Farmers Home Administration.

Section 628 clarifies provisions of law to specify that in cases of losses due to a disaster, the Secretary shall accept payment of unpaid principal and interest as full settlement of borrower's liability.

Section 629 is discussed earlier in the report in the "Overview and Summary of the Bill."

Compliance With Rule XVI, Paragraph 7

Rule XVI, paragraph 7 states:

> "Every report on general appropriation bills filed by the Committee on Appropriations shall identify with particularity each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

The programs subject to identification under rule XVI, paragraph 7 are: (1) State administrative expenses for child feeding programs; (2) special supplemental food program for women, infants, and children (WIC); (3) summer food service program; (4) nutrition information and education program; (5) elderly nutrition programs; and (6) user fees for cotton classification services.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House reported	House floor	House floor compared with House reported	Committee recommendation	Senate committee recommendation compared with (+ or -)		
							1984 Appropriation	Budget estimate	House floor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE I - AGRICULTURAL PROGRAMS									
PRODUCTION, PROCESSING AND MARKETING									
Office of the Secretary	5,045,000	5,240,000	5,240,000	5,187,600	-52,400	5,240,000	+195,000	---	+52,400
Standard Level User Charges, USDA	64,270,000	67,254,000	67,254,000	66,581,460	-672,540	67,254,000	+2,984,000	---	+672,540
Advisory Committees, USDA	1,398,000	1,398,000	1,398,000	1,384,020	-13,980	1,384,020	-13,980	-13,980	---
Departmental Administration	17,999,000	18,697,000	18,697,000	18,510,030	-186,970	18,697,000	+698,000	---	+186,970
Working Capital Fund	---	10,000,000	8,000,000	7,920,000	-80,000	6,000,000	+6,000,000	-4,000,000	-1,920,000
Office of Governmental and Public Affairs	7,407,000	7,691,000	7,691,000	7,614,090	-76,910	7,614,090	+207,090	-76,910	---
Office of the Inspector General	29,211,000	30,142,000	30,142,000	29,840,580	-301,420	30,142,000	+931,000	---	+301,420
(Transfer from food stamp program)	(15,368,000)	(15,924,000)	(15,924,000)	(15,764,760)	(-159,240)	(15,924,000)	(+556,000)	---	(+159,240)
Total, Office of the Inspector General	(44,579,000)	(46,066,000)	(46,066,000)	(45,605,340)	(-460,660)	(46,066,000)	(+1,487,000)	---	(+460,660)
Office of the General Counsel	14,253,000	15,142,000	15,079,000	14,928,210	-150,790	14,642,000	+389,000	-500,000	-286,210
(Transfer from food stamp program)	(723,000)	(723,000)	(786,000)	(778,140)	(-7,860)	(723,000)	---	---	(-55,140)
Federal Grain Inspection Service	6,861,000	6,936,000	6,936,000	6,866,640	-69,360	6,936,000	+75,000	---	+69,360
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(36,000,000)	(36,856,000)	(36,856,000)	(36,487,440)	(-368,560)	(36,856,000)	(+856,000)	---	(+368,560)
Recapitalization of Revolving Fund	6,090,000	---	---	---	---	---	-6,000,000	---	---
Agricultural Research Service	474,278,000	481,040,000	485,379,000	480,525,210	-4,853,790	489,022,000	+14,744,000	+7,982,000	+8,496,790
Special fund (reappropriation, indefinite)	2,000,000	2,000,000	2,000,000	1,980,000	-20,000	2,000,000	---	---	+20,000
Buildings and facilities	27,725,000	---	---	---	---	21,650,000	-6,075,000	+21,650,000	+21,650,000
Scientific activities overseas (foreign currency program)	5,000,000	5,000,000	5,000,000	4,950,000	-50,000	5,000,000	---	---	+50,000
Cooperative State Research Service	247,655,000	266,785,000	254,441,000	251,896,590	-2,544,410	291,395,000	+43,740,000	+24,610,000	+39,498,410

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House reported	House floor	House floor compared with House reported	Committee recommendation	Senate committee recommendation compared with (+ or -)		
							1984 Appropriation	Budget estimate	House floor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Extension Service	334,340,000	299,377,000	314,677,000	311,530,230	-3,146,770	343,744,000	+9,404,000	+44,367,000	+32,213,770
(Transfer from food stamp program)	---	---	(25,533,000)	(25,277,670)	(-255,330)	---	---	---	(-25,277,670)
National Agricultural Library	9,873,000	11,661,000	11,661,000	11,544,390	-116,610	11,400,000	+1,527,000	-261,000	-144,390
Total, Research and Extension	1,100,871,000	1,065,863,000	1,073,158,000	1,062,426,420	-10,731,580	1,164,211,000	+63,340,000	+98,348,000	+101,784,580
Animal and Plant Health Inspection Service:									
Salaries and expenses	263,238,000	222,138,000	277,041,000	274,270,590	-2,770,410	265,581,000	+2,343,000	+43,443,000	-8,689,590
Buildings and facilities	2,386,000	2,386,000	2,386,000	2,362,140	-23,860	2,361,000	-25,000	-25,000	-1,140
Total, Animal & Plant Health Inspection Service	265,624,000	224,524,000	279,427,000	276,632,730	-2,794,270	267,942,000	+2,318,000	+43,418,000	-8,690,730
Food Safety and Inspection Service	333,696,000	356,067,000	353,239,000	349,706,610	-3,532,390	355,248,000	+21,552,000	-819,000	+5,541,390
Economic Research Service	43,841,000	47,480,000	46,297,000	45,834,030	-462,970	45,614,000	+1,773,000	-1,866,000	-220,030
Statistical Reporting Service	53,903,000	57,534,000	56,289,000	55,726,110	-562,890	56,430,000	+2,527,000	-1,104,000	+703,890
Agricultural Cooperative Service	4,639,000	3,565,000	4,639,000	4,592,610	-46,390	4,639,000	---	+1,074,000	+46,390
World Agricultural Outlook Board	1,500,000	1,677,000	1,642,000	1,625,580	-16,420	1,642,000	+142,000	-35,000	+16,420
Agricultural Marketing Service:									
Marketing Services	30,729,000	27,921,000	29,464,000	29,169,360	-294,640	29,464,000	-1,265,000	+1,543,000	+294,640
(Limitation on administrative expenses, from fees collected)	(30,910,000)	(30,910,000)	(30,910,000)	(30,600,900)	(-309,100)	(23,072,000)	(-7,838,000)	(-7,838,000)	(-7,528,900)
Funds for strengthening markets, income, and supply (Section 32) (by transfer)	(5,840,000)	---	(5,995,000)	(5,935,050)	(-59,950)	(5,995,000)	(+155,000)	(+5,995,000)	(+59,950)
Payments to States and possessions	1,000,000	---	1,000,000	990,000	-10,000	990,000	-10,000	+990,000	---
Office of Transportation	2,523,000	2,540,000	2,540,000	2,514,600	-25,400	2,514,600	-8,400	-25,400	---
Total, Agricultural Marketing Service	34,252,000	30,461,000	33,004,000	32,673,960	-330,040	32,968,600	-1,283,400	+2,507,600	+294,640
Packers and Stockyards Administration	9,013,000	9,035,000	9,035,000	8,944,650	-90,350	9,035,000	+22,000	---	+90,350
Total, Production, Processing and Marketing	1,999,783,000	1,958,706,000	2,017,167,000	1,996,995,330	-20,171,670	2,095,638,710	+95,855,710	+136,932,710	+98,643,380

FARM INCOME STABILIZATION									
Agricultural Stabilization and Conservation Service:									
Salaries and expenses	51,986,000	50,857,000	50,857,000	50,348,430	-508,570	52,201,000	+215,000	+1,344,000	+1,852,570
(Transfer from Commodity Credit Corporation)	(358,193,000)	(339,737,000)	(342,452,000)	(339,027,480)	(-3,424,520)	(345,992,000)	(-12,201,000)	(+6,255,000)	(+6,964,520)
Total, salaries and expenses, ASCS	(410,179,000)	(390,594,000)	(393,309,000)	(389,375,910)	(-3,933,090)	(398,193,000)	(-11,986,000)	(+7,599,000)	(+8,817,090)
Dairy indemnity program	1,800,000	---	180,000	178,200	-1,800	---	-1,800,000	---	-178,200
Total, Agricultural Stabilization and Conservation Service	53,786,000	50,857,000	51,037,000	50,526,630	-510,370	52,201,000	-1,585,000	+1,344,000	+1,674,370
CORPORATIONS									
Federal Crop Insurance Corporation:									
Administrative and operating expenses	200,000,000	227,234,000	202,234,000	200,211,660	-2,022,340	200,000,000	---	-27,234,000	-211,660
Federal crop insurance corporation fund	110,000,000	141,000,000	126,000,000	124,740,000	-1,260,000	110,000,000	---	-31,000,000	-14,740,000
Total, Federal Crop Insurance Corporation	310,000,000	368,234,000	328,234,000	324,951,660	-3,282,340	310,000,000	---	-58,234,000	-14,951,660
Commodity Credit Corporation:									
Reimbursement for net realized losses	9,673,636,000	8,698,269,000	8,500,000,000	8,415,000,000	-85,000,000	8,698,269,000	-975,367,000	---	+283,269,000
Total, Farm Income Stabilization	10,037,422,000	9,117,360,000	8,879,271,000	8,790,478,290	-88,792,710	9,060,470,000	-976,952,000	-56,890,000	+269,991,710
Total, title I, Agricultural Programs:									
Definite appropriations	12,035,205,000	11,074,066,000	10,894,438,000	10,785,493,620	-108,944,380	11,154,108,710	-881,096,290	+80,042,710	+368,615,090
Indefinite appropriations	2,000,000	2,000,000	2,000,000	1,980,000	-20,000	2,000,000	---	---	+20,000
(By transfer)	(374,284,000)	(356,384,000)	(384,695,000)	(380,848,050)	(-3,846,950)	(362,639,000)	(-11,645,000)	(+6,255,000)	(-18,209,050)
(Limitation on obligations)	(66,910,000)	(67,766,000)	(67,766,000)	(67,088,340)	(-677,660)	(59,928,000)	(-6,982,000)	(-7,838,000)	(-7,160,340)
Total, new budget (obligational) authority, Agricultural Programs	12,037,205,000	11,076,066,000	10,896,438,000	10,787,473,620	-108,964,380	11,156,108,710	-881,096,290	+80,042,710	+368,635,090
TITLE II - RURAL DEVELOPMENT PROGRAMS									
RURAL DEVELOPMENT ASSISTANCE									
Office of Rural Development Policy:									
Salaries and expenses	2,000,000	2,423,000	2,439,000	2,414,610	-24,390	2,017,000	+17,000	-406,000	-397,610

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House reported	House floor	House floor compared with House reported	Committee recommendation	Senate committee recommendation compared with (+ or -)		
							1984 Appropriation	Budget estimate	House floor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Farmers Home Administration:									
Rural Housing Insurance Fund:									
Direct loans	(24,000,000)	(17,000,000)	(17,000,000)	(16,830,000)	(-170,000)	(17,000,000)	(-7,000,000)	---	(+170,000)
Insured loans	(3,261,000,000)	(2,303,000,000)	(3,170,000,000)	(3,138,300,000)	(-31,700,000)	(3,261,000,000)	---	(+958,000,000)	(+122,700,000)
Rent supplement authorization	(62,000,000)	---	(116,000,000)	(114,840,000)	(-1,160,000)	(116,000,000)	(+54,000,000)	(+116,000,000)	(+1,160,000)
Collection and servicing contracts (limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(9,900,000)	(-100,000)	(10,000,000)	---	---	(+100,000)
Reimbursement for interest and other losses	1,56 82,000	1,843,927,000	1,843,927,000	1,825,487,730	-18,439,270	1,843,927,000	+335,845,000	---	+18,439,270
Total, Rural Housing Insurance Fund:									
Definite appropriations	1,508,082,000	1,843,927,000	1,843,927,000	1,825,487,730	-18,439,270	1,843,927,000	+335,845,000	---	+18,439,270
(Loan authorization)	(3,347,000,000)	(2,320,000,000)	(3,303,000,000)	(3,269,970,000)	(-33,030,000)	(3,394,000,000)	(+47,000,000)	(+1,074,000,000)	(+124,030,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(9,900,000)	(-100,000)	(10,000,000)	---	---	(+100,000)
Self-help land development fund	---	---	---	---	---	(2,700,000)	(+2,700,000)	(+2,700,000)	(+2,700,000)
Agricultural Credit Insurance Fund:									
Real estate loans:									
Insured	(662,000,000)	(624,000,000)	(729,000,000)	(721,710,000)	(-7,290,000)	(649,000,000)	(-13,000,000)	(+25,000,000)	(-72,710,000)
Guaranteed	(56,000,000)	(56,000,000)	(56,000,000)	(55,440,000)	(-560,000)	(56,000,000)	---	---	(+560,000)
Total, real estate loans	(718,000,000)	(680,000,000)	(785,000,000)	(777,150,000)	(-7,850,000)	(705,000,000)	(-13,000,000)	(+25,000,000)	(-72,150,000)
Soil conservation loans	(30,000,000)	---	(16,000,000)	(15,840,000)	(-160,000)	(16,000,000)	(-14,000,000)	(+16,000,000)	(+160,000)
Operating loans:									
Insured	(1,810,000,000)	(1,920,000,000)	(1,920,000,000)	(1,900,800,000)	(-19,200,000)	(1,920,000,000)	(+110,000,000)	---	(+19,200,000)
Guaranteed	(100,000,000)	(150,000,000)	(150,000,000)	(148,500,000)	(-1,500,000)	(650,000,000)	(+550,000,000)	(+500,000,000)	(+501,500,000)
Total, operating loans	(1,910,000,000)	(2,070,000,000)	(2,070,000,000)	(2,049,300,000)	(-20,700,000)	(2,570,000,000)	(+660,000,000)	(+500,000,000)	(+520,700,000)

Emergency disaster loans, (indefinite)	(1,540,000,000)	(870,000,000)	(870,000,000)	(861,300,000)	(-8,700,000)	(870,000,000)	(-670,000,000)	---	(+8,700,000)
Reimbursement for interest and other losses	895,522,000	1,089,943,000	1,089,943,000	1,079,043,570	-10,899,430	1,089,943,000	+194,421,000	---	+10,899,430
Total, Agricultural Credit Insurance Fund:									
Definite appropriations	895,522,000	1,089,943,000	1,089,943,000	1,079,043,570	-10,899,430	1,089,943,000	+194,421,000	---	+10,899,430
(Loan authorization)	(2,658,000,000)	(2,750,000,000)	(2,871,000,000)	(2,842,290,000)	(-28,710,000)	(3,291,000,000)	(+633,000,000)	(+541,000,000)	(+448,710,000)
(Loan authorization, indefinite)	(1,540,000,000)	(870,000,000)	(870,000,000)	(861,300,000)	(-8,700,000)	(870,000,000)	(-670,000,000)	---	(+8,700,000)
Rural Development Insurance Fund:									
Water and sewer facility loans	(270,000,000)	(250,000,000)	(375,000,000)	(371,250,000)	(-3,750,000)	(270,000,000)	---	(+20,000,000)	(-101,250,000)
Industrial development loans: Guaranteed	(300,000,000)	---	(200,000,000)	(198,000,000)	(-2,000,000)	(100,000,000)	(-200,000,000)	(+100,000,000)	(-98,000,000)
Community facility loans	(130,000,000)	(100,000,000)	(130,000,000)	(128,700,000)	(-1,300,000)	(100,000,000)	(-30,000,000)	---	(-28,700,000)
Reimbursement for losses	477,829,000	560,005,000	560,005,000	554,404,950	-5,600,050	560,005,000	+82,176,000	---	+5,600,050
Total, Rural Development Insurance Fund:									
Definite appropriations	477,829,000	560,005,000	560,005,000	554,404,950	-5,600,050	560,005,000	+82,176,000	---	+5,600,050
(Loan authorization)	(700,000,000)	(350,000,000)	(705,000,000)	(697,950,000)	(-7,050,000)	(470,000,000)	(-230,000,000)	(+120,000,000)	(-227,956,000)
Rural water and waste disposal grants	90,000,000	90,000,000	125,000,000	123,750,000	-1,250,000	90,000,000	---	---	-33,750,000
Very low-income housing repair grants	12,500,000	---	12,500,000	12,375,000	-125,000	12,500,000	---	+12,500,000	+125,000
Rural housing for domestic farm labor	4,393,000	---	4,393,000	4,349,070	-43,930	---	-4,393,000	---	-4,349,070
Mutual and self-help housing	6,000,000	---	6,000,000	5,940,000	-60,000	10,000,000	+4,000,000	+10,000,000	+4,060,000
Rural community fire protection grants	3,250,000	---	3,250,000	3,217,500	-32,500	3,250,000	---	+3,250,000	+32,500
Compensation for construction defects	2,000,000	---	1,000,000	990,000	-10,000	1,000,000	-1,000,000	+1,000,000	+10,000
Rural rental assistance payments	49,000,000	116,000,000	52,250,000	51,727,500	-522,500	52,250,000	+3,250,000	-63,750,000	+522,500
Rural housing preservation pilot grants	---	---	10,000,000	9,900,000	-100,000	---	---	---	-9,900,000
Salaries and expenses	327,149,000	327,251,000	327,251,000	323,978,490	-3,272,510	327,251,000	+102,000	---	+3,272,510
(Transfer from loan accounts)	(4,000,000)	(4,000,000)	(4,000,000)	(3,960,000)	(-40,000)	(4,000,000)	---	---	(+40,000)
Total, salaries and expenses	(331,149,000)	(331,251,000)	(331,251,000)	(327,938,490)	(-3,312,510)	(331,251,000)	(+102,000)	---	(+3,312,510)
Total, Farmers Home Administration	3,375,725,000	4,027,126,000	4,035,519,000	3,995,163,810	-40,355,190	3,990,126,000	+614,401,000	-37,000,000	-5,037,810

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House reported	House floor	House floor compared with House reported	Committee recommendation	Senate committee recommendation compared with (+ or −)		
							1984 Appropriation	Budget estimate	House floor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rural Electrification Administration:									
Rural electrification & telephone revolving fund:									
Direct loans:									
Insured loans:									
Electric	(850,000,000)	(500,000,000)	(850,000,000)	(841,500,000)	(-8,500,000)	(850,000,000)	---	(+350,000,000)	(+8,500,000)
Telephone	(250,000,000)	(75,000,000)	(250,000,000)	(247,500,000)	(-2,500,000)	(250,000,000)	---	(+175,000,000)	(+2,500,000)
Total, Insured loans	(1,100,000,000)	(575,000,000)	(1,100,000,000)	(1,089,000,000)	(-11,000,000)	(1,100,000,000)	---	(+525,000,000)	(+11,000,000)
Guaranteed loans:									
Electric	(3,235,000,000)	(1,200,000,000)	(1,200,000,000)	(1,188,000,000)	(-12,000,000)	(1,200,000,000)	(-2,035,000,000)	---	(+12,000,000)
Telephone	(125,000,000)	(125,000,000)	(125,000,000)	(123,750,000)	(-1,250,000)	(125,000,000)	---	---	(+1,250,000)
Total, Guaranteed loans	(3,360,000,000)	(1,325,000,000)	(1,325,000,000)	(1,311,750,000)	(-13,250,000)	(1,325,000,000)	(-2,035,000,000)	---	(+13,250,000)
Reimbursement for interest and other losses	(197,862,000)	---	(215,964,000)	(213,804,360)	(-2,159,640)	(215,964,600)	(+18,102,000)	(+215,964,000)	(+2,159,640)
Rural telephone bank	(30,000,000)	---	(30,000,000)	(29,700,000)	(-300,000)	(30,000,000)	---	(+30,000,000)	(+300,000)
Direct loans (limitation on obligations)	(185,000,000)	(185,000,000)	(185,000,000)	(183,150,000)	(-1,850,000)	(185,000,000)	---	---	(+1,850,000)
Rural communication development fund	375,000	841,000	841,000	832,590	-8,410	841,000	+466,000	---	+8,410
Salaries and expenses	29,585,000	30,340,000	30,340,000	30,036,600	-303,400	30,340,000	+755,000	---	+303,400
Total, Rural Electrification Administration	29,960,000	31,181,000	31,181,000	30,869,190	-311,810	31,181,000	+1,221,000	---	+311,810
Total, Rural Development Assistance:									
Definite appropriations	3,407,685,000	4,060,730,000	4,069,139,000	4,028,447,610	-40,691,390	4,023,324,000	+615,639,000	-37,406,000	-5,123,610
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	(3,960,000)	(-40,000)	(4,000,000)	---	---	(+40,000)
(Loan authorization)	(6,705,000,000)	(5,420,000,000)	(6,879,000,000)	(6,810,210,000)	(-68,790,000)	(7,155,000,000)	(+450,000,000)	(+1,735,000,000)	(+344,790,000)
(Loan authorization, indefinite)	(1,540,000,000)	(870,000,000)	(870,000,000)	(861,300,000)	(-8,700,000)	(870,000,000)	(-670,000,000)	---	(+8,700,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(9,900,000)	(-100,000)	(12,700,000)	(+2,700,000)	(+2,700,000)	(+2,800,000)

CONSERVATION

Soil Conservation Service:									
Conservation operations	346,947,000	350,730,000	356,364,000	352,800,360	-3,563,640	356,364,000	+9,417,000	+5,634,000	+3,563,640
River basin surveys and investigations	15,619,000	13,556,000	15,911,000	15,751,890	-159,110	13,556,000	-2,063,000	---	-2,195,890
Watershed planning	8,675,000	7,898,000	8,858,000	8,769,420	-88,580	8,675,000	---	+777,000	-94,420
Watershed and flood prevention operations	183,200,000	86,079,000	182,300,000	180,477,000	-1,823,000	182,300,000	-900,000	+96,221,000	+1,823,000
Resource conservation and development	26,000,000	---	26,000,000	25,740,000	-260,000	26,000,000	---	+26,000,000	+260,000
Great Plains conservation program	21,315,000	16,773,000	21,315,000	21,101,850	-213,150	21,315,000	---	+4,542,000	+213,150
Total, Soil Conservation Service	601,756,000	475,036,000	610,748,000	604,640,520	-6,107,480	608,210,000	+6,454,000	+133,174,000	+3,569,480
Agricultural Stabilization and Conservation Service:									
Agricultural conservation program	190,000,000	80,000,000	170,000,000	188,100,000	-1,900,000	190,000,000	---	+110,000,000	+1,900,000
Forestry incentives program	12,500,000	---	12,500,000	12,375,000	-125,000	12,500,000	---	+12,500,000	+125,000
Water bank program	8,800,000	---	8,800,000	8,712,000	-88,000	8,800,000	---	+8,800,000	+88,000
Emergency conservation program	7,000,000	---	---	---	---	---	-7,000,000	---	---
Colorado River Basin Salinity Program	---	12,550,000	---	---	---	---	---	-12,550,000	---
Total, Agricultural Stabilization and Conservation Service	218,300,000	92,550,000	211,300,000	209,187,000	-2,113,000	211,300,000	-7,000,000	+118,750,000	+2,113,000
Total, Conservation:									
Definite appropriations	820,056,000	567,586,000	822,048,000	813,827,520	-8,220,480	819,510,000	-546,000	+251,924,000	+5,682,480
Total, title II, Rural Development Programs:									
Definite appropriations	4,227,741,000	4,628,316,000	4,891,187,000	4,842,275,130	-48,911,870	4,842,834,000	+615,093,000	+214,518,000	+558,870
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	(3,960,000)	(-40,000)	(4,000,000)	---	---	(+40,000)
(Loan authorization)	(6,705,000,000)	(5,420,000,000)	(6,879,000,000)	(6,810,210,000)	(-68,790,000)	(7,155,000,000)	(+450,000,000)	(+1,735,000,000)	(+344,790,000)
(Loan authorization, indefinite)	(1,540,000,000)	(870,000,000)	(870,000,000)	(861,300,000)	(-8,700,000)	(870,000,000)	(-670,000,000)	---	(+8,700,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(9,900,000)	(-100,000)	(12,700,000)	(+2,700,000)	(+2,700,000)	(+2,800,000)

TITLE III - DOMESTIC FOOD PROGRAMS

Food and Nutrition Service:									
Child nutrition programs	1,251,463,000	1,454,147,000	1,474,861,000	1,460,112,390	-14,748,610	1,474,861,000	+223,398,000	+20,714,000	+14,748,610
(Transfer from sec. 32)	(2,307,295,000)	(2,301,833,000)	(2,329,819,000)	(2,306,520,810)	(-23,298,190)	(2,329,819,000)	(+22,524,000)	(+27,986,000)	(+23,298,190)
Total, Child nutrition programs	(3,558,758,000)	(3,755,980,000)	(3,804,680,000)	(3,766,633,200)	(-38,046,800)	(3,804,680,000)	(+245,922,000)	(+48,700,000)	(+38,046,800)
Special milk program	11,920,000	17,600,000	17,600,000	17,424,000	-176,000	17,600,000	+5,680,000	---	+176,000
Feeding program for Women, Infants and Children (WIC)	1,360,000,000	1,254,288,000	1,254,288,000	1,241,745,120	-12,542,880	1,471,000,000	+111,000,000	+216,712,000	+229,254,880
Commodity supplemental food program (CSFP)	40,150,000	23,004,000	24,918,000	24,668,820	-249,180	24,918,000	-15,232,000	+1,914,000	+249,180

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House reported	House floor	House floor compared with House reported	Committee recommendation	Senate committee recommendation compared with (+ or -)		
							1984 Appropriation	Budget estimate	House floor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Food stamp program	10,916,705,000	10,797,573,000	10,797,573,000	10,689,597,270	-107,975,730	11,450,000,000	+533,295,000	+652,427,000	+760,402,730
Nutrition assistance for Puerto Rico	825,000,000	825,000,000	825,000,000	816,750,000	-8,250,000	825,000,000	---	---	+8,250,000
Food donations programs:									
Needy family program	50,061,000	23,546,000	23,546,000	23,310,540	-235,460	23,546,000	-26,515,000	---	+235,460
Elderly feeding program	116,875,000	116,000,000	116,000,000	114,840,000	-1,160,000	117,600,000	+725,000	+1,600,000	+2,760,000
Total, Food donations programs	166,936,000	139,546,000	139,546,000	138,150,540	-1,395,460	141,146,000	-25,790,000	+1,600,000	+2,995,460
Temporary emergency food assistance program	50,000,000	50,000,000	50,000,000	49,500,000	-500,000	50,000,000	---	---	+500,000
Food program administration	81,352,000	83,187,000	83,187,000	82,355,130	-831,870	83,187,000	+1,835,000	---	+831,870
Total, Food and Nutrition Service	14,703,526,000	14,644,345,000	14,666,973,000	14,520,303,270	-146,669,730	15,537,712,000	+834,186,000	+893,367,000	+1,017,408,730
Human Nutrition Information Service	6,564,000	7,496,000	7,496,000	7,421,040	-74,960	7,496,000	+932,000	---	+74,960
Total, title III, Domestic Food Programs: Definite appropriations	14,710,090,000	14,651,841,000	14,674,469,000	14,527,724,310	-146,744,690	15,545,208,000	+835,118,000	+893,367,000	+1,017,483,690
TITLE IV - INTERNATIONAL PROGRAMS									
Foreign Agricultural Service	83,717,000	83,291,000	84,291,000	83,448,090	-842,910	83,291,000	-426,000	---	-157,090
General Sales Manager (transfer from Commodity Credit Corporation)	(5,904,000)	(6,025,000)	(6,025,000)	(5,964,750)	(-60,250)	(6,025,000)	(+121,000)	---	(+60,250)
Public Law 480:									
Title I and III - Credit sales:									
Program level	(872,000,000)	(1,021,000,000)	(1,021,000,000)	(1,010,790,000)	(-10,210,000)	(1,021,000,000)	(+149,000,000)	---	(+10,210,000)
Appropriation	402,000,000	705,000,000	555,000,000	549,450,000	-5,550,000	705,000,000	+303,000,000	---	+155,550,000

Title II - Commodities for disposition abroad:									
Program level	(800,000,000)	(650,000,000)	(650,000,000)	(643,500,000)	(-6,500,000)	(650,000,000)	(-150,000,000)	---	(+6,500,000)
Appropriation	800,000,000	650,000,000	650,000,000	643,500,000	-6,500,000	650,000,000	-150,000,000	---	+6,500,000
Total, Public Law 480:									
Program level	(1,672,000,000)	(1,671,000,000)	(1,671,000,000)	(1,654,290,000)	(-16,710,000)	(1,671,000,000)	(-1,000,000)	---	(+16,710,000)
Appropriation	1,202,000,000	1,355,000,000	1,205,000,000	1,192,950,000	-12,050,000	1,355,000,000	+153,000,000	---	+162,050,000
Office of International Cooperation and Development	5,016,000	4,074,000	3,574,000	3,538,260	-35,740	5,574,000	+558,000	+1,500,000	+2,035,740
Total, title IV, International Programs:									
Definite appropriations	1,290,733,000	1,442,365,000	1,292,865,000	1,279,936,350	-12,928,650	1,443,865,000	+153,132,000	+1,500,000	+163,928,650
TITLE V - RELATED AGENCIES									
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Food and Drug Administration:									
Salaries and expenses	360,410,000	366,482,000	372,172,000	368,450,280	-3,721,720	372,072,000	+11,662,000	+5,590,000	+3,621,720
Buildings and facilities	4,875,000	1,450,000	1,450,000	1,435,500	-14,500	1,450,000	-3,425,000	---	+14,500
Standard Level User Charges	22,164,000	26,072,000	26,072,000	25,811,280	-260,720	26,072,000	+3,908,000	---	+260,720
Total, Food and Drug Administration	387,449,000	394,004,000	399,694,000	395,697,060	-3,996,940	399,594,000	+12,145,000	+5,590,000	+3,896,940
INDEPENDENT AGENCIES									
Commodity Futures Trading Commission	26,400,000	27,292,000	27,292,000	27,019,080	-272,920	27,292,000	+892,000	---	+272,920
Farm Credit Administration (limitation on administrative expenses)	(20,551,000)	(22,092,000)	(22,092,000)	(21,871,080)	(-220,920)	(22,092,000)	(+1,541,000)	---	(+220,920)
Total, title V, Related Agencies:									
Definite appropriations	413,849,000	421,296,000	426,986,000	422,716,140	-4,269,860	426,886,000	+13,037,000	+5,590,000	+4,169,860
(Limitation on obligations)	(20,551,000)	(22,092,000)	(22,092,000)	(21,871,080)	(-220,920)	(22,092,000)	(+1,541,000)	---	(+220,920)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House reported	House floor	House floor compared with House reported	Committee recommendation	Senate committee recommendation compared with (+ or -)		
							1984 Appropriation	Budget estimate	House floor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RECAPITULATION									
Title I - Agricultural programs	12,037,205,000	11,076,066,000	10,896,438,000	10,787,473,620	-108,964,380	11,156,108,710	-881,096,290	+80,042,710	+368,635,090
Title II - Rural development programs	4,227,741,000	4,628,316,000	4,891,187,000	4,842,275,130	-48,911,870	4,842,834,000	+615,093,000	+214,518,000	+558,870
Title III - Domestic food programs	14,710,090,000	14,651,841,000	14,674,469,000	14,527,724,310	-146,744,690	15,545,208,000	+835,118,000	+893,367,000	+1,017,483,690
Title IV - International programs	1,290,733,000	1,442,365,000	1,292,865,000	1,279,936,350	-12,928,650	1,443,865,000	+153,132,000	+1,500,000	+163,928,650
Title V - Related agencies	413,849,000	421,296,000	426,986,000	422,716,140	-4,269,860	426,886,000	+13,037,000	+5,590,000	+4,169,860
Total, new budget (obligational) authority	32,679,618,000	32,219,884,000	32,181,945,000	31,860,125,550	-321,819,450	33,414,901,710	+735,283,710	+1,195,017,710	+1,554,776,160
Transfer from sec. 32 (Customs Receipts)	2,313,135,000	2,301,833,000	2,335,814,000	2,312,455,860	-23,358,140	2,335,814,000	+22,679,000	+33,981,000	+23,358,140
Total obligational authority	34,992,753,000	34,521,717,000	34,517,759,000	34,172,581,410	-345,177,590	35,750,715,710	+757,962,710	+1,228,998,710	+1,578,134,300
Memoranda:									
Direct and insured loan level	9,012,000,000	6,844,000,000	8,526,000,000	8,440,740,000	-85,260,000	8,402,000,000	-610,000,000	+1,558,000,000	-38,740,000
Guaranteed loan level	3,816,000,000	1,531,000,000	1,731,000,000	1,713,690,000	-17,310,000	2,131,000,000	-1,685,000,000	+600,000,000	+417,310,000
Transfers from Commodity Credit Corporation	358,193,000	339,737,000	342,452,000	339,027,480	-3,424,520	345,992,000	-12,201,000	+6,255,000	+6,964,520